



City of Sugar Land

Joint Sugar Land Development Corporation and Sugar Land 4B Corporation Meeting

Sugar Land City Hall
2700 Town Center
Boulevard North
Sugar Land, TX 77479

Tuesday, May 20, 2025

Joint Sugar Land Development Corporation and
Sugar Land 4B Corporation Meeting
City Council Chamber
6:30 PM

I. Attention

Members of the City Council, Board and/or Commission may participate in deliberations of posted agenda items through video conferencing means. A quorum of the City Council, Board and/or Commission will be physically present at the above-stated location, and said location is open to the public. Audio/Video of open deliberations will be available for the public to hear/view; and are recorded as per the Texas Open Meetings Act.

The meeting will live stream at <https://youtube.com/live/orjfoVJH1fw?feature=share>

II. Call to Order/Roll Call

The Chair will call the meeting to order, verify the presence of a quorum, and open the public meeting.

III. Public Comment

Pursuant to Texas Government Code section 551.007, citizens are permitted to address the City Council, Board and/or Commission in person with regard to matters posted for consideration on the agenda. Each speaker must complete a "Request to Speak" form and give it to the City Secretary or designee, prior to the beginning of the meeting.

Each speaker is limited to 3 minutes, speakers requiring a translator will have 6 minutes, regardless of the number of agenda items to be addressed. Comments or discussion by City Council, Board, and/or Commission members, will only be made at the time the subject is scheduled for consideration.

For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

IV. Contracts and Agreements

A. **Consideration of and action on** approval of three (3) Economic Development Performance Agreements between the Sugar Land Development Corporation, Sugar Land 4B Corporation, and LCFRE Sugar Land Town Square, LLC to fund various aspects of the improvements and repositioning efforts in support of the Sugar Land Town Square revitalization strategy as follows:

1. **Building B Improvements (\$6M):** Modernization of shared amenities, streetscapes, and communal office spaces to create more flexible, functional environments for tenants.
2. **Building H Improvements (\$2M):** Significant upgrades to the lobby, tenant signage, and garden renovations to improve the overall amenities of the building.
3. **Office Tenant Improvements (\$4.5M):** To attract and retain high-quality tenants, linked to a job creation milestone.

**Jessica Huble, Assistant Director of Redevelopment, Alba Penate-Johnson,
Assistant Director of Economic Development**

V. Adjournment

The Sugar Land Development Corporation reserves the right to adjourn into Executive Session at any time during this meeting for the purpose of consultation with the Attorney as authorized by Texas Government Code Sections 551.071 to discuss any of the matters listed above.

If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact the City Secretary, (281) 275-2730. Requests for special services must be received 48 hours prior to the meeting time. Reasonable accommodations will be made to assist your needs.

The agenda and supporting documentation is located on the [City Website](#) under meeting agendas.

Posted this 16th day of May, 2025 at 5:15 p.m.



Sugar Land Development Corporation Agenda Request May 20, 2025

Agenda Request No: IV.A.

Agenda of: Sugar Land Development Corporation Meeting

Initiated by: Jessica Huble, Assistant Director of Redevelopment

Presented by: Jessica Huble, Assistant Director of Redevelopment, Alba Penate-Johnson, Assistant Director of Economic Development

Responsible Department: Redevelopment

Agenda Caption:

Consideration of and action on approval of three (3) Economic Development Performance Agreements between the Sugar Land Development Corporation, Sugar Land 4B Corporation, and LCFRE Sugar Land Town Square, LLC to fund various aspects of the improvements and repositioning efforts in support of the Sugar Land Town Square revitalization strategy as follows:

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3. **Office Tenant Improvements (\$4.5M):** To attract and retain high-quality tenants, linked to a job creation milestone.

Recommended Action:

Approval of three (3) Economic Development Performance Agreements between the Sugar Land Development Corporation, Sugar Land 4B Corporation, and LCFRE Sugar Land Town Square, LLC.

Agreement 1 - Building B Improvements

Agreement 2 - Building H Improvements

Agreement 3 - Office Tenant Improvements

Executive Summary:

Sugar Land Town Square (SLTS), a key asset in Sugar Land's economic and cultural identity, is undergoing a critical revitalization aimed at addressing aging infrastructure, rising competition in the commercial real estate market, and shifting post-COVID tenant demands. As the City's first mixed-use development, SLTS has long been a driver of regional economic growth, tourism, and placemaking. However, like many maturing developments, it faces increasing pressure to modernize.

Pennybacker Capital, subadvisor to Lionstone Investments, alongside property management company, Rebees—is leading a \$42 million capital reinvestment strategy for SLTS over the next five years. The new strategy focuses on strategic infrastructure and office tenant improvements designed to enhance SLTS's competitiveness and appeal.

Staff is recommending the approval of three (3) Economic Development Performance Agreements, which would allocate up to \$12.5 million over the next five years (FY26–FY30); funded by the Sugar Land 4B Corporation (SL4B) and Sugar Land Development Corporation (SLDC). This agreement would fund various aspects of the improvements and revitalization efforts, including:

- **Building B Improvements (\$6M):** Modernization of shared amenities, streetscapes, and communal office spaces to create more flexible, functional environments for tenants.
- **Building H Improvements (\$2M):** Significant upgrades to the lobby, tenant signage, and garden renovations to improve the overall amenities of the building.
- **Office Tenant Improvements (\$4.5M):** To attract and retain high-quality tenants, linked to a job creation milestone.

This investment strategy aligns with the City's broader economic development goals, including job creation, diversification, and enhancing the quality of life in Sugar Land. The financial forecast of SL4B and SLDC includes provisions for this investment, ensuring that it is part of the long-term plan to support growth in the region.

The cumulative terms of the three (3) agreements include the following, and are all subject to respective clawback provisions:

- Five-year Performance Agreements between SL4B, SLDC and LCFRE Sugar Land Town Square LLC (LCFRE) – a subsidiary of Lionstone Investments
- Creation and/or retention of at least 650 Primary Jobs
- Within sixty (60) days following each agreement year, documentation and proof of expenditures totaling the respective dollar amounts must be submitted to SL4B and SLDC for compliance and to receive that fiscal year's reimbursement.
- LCFRE must complete construction and spend the minimum capital investment on materials, services, furniture, fixtures, and equipment per the stipulations of each agreement.
- Documentation and proof of expenditures must be submitted to SL4B and SLDC for compliance per the stipulations of each agreement.

The Economic Development Committee has reviewed the terms of the three (3) proposed Economic Development Performance Agreements, which outline the specific expectations of the partnership between the Sugar Land 4B Corporation, Sugar Land Development Corporation, and LCFRE Sugar Land Town Square LLC.

Staff recommends approving three (3) Economic Development Performance Agreements, as outlined above, confident that these efforts will drive significant economic benefits for Sugar Land.

Budget

Expenditure Required: \$12,500,000

Current Budget: \$12,500,000

Additional Funding:

Funding Source: Sugar Land 4B Corporation, Sugar Land Development Corporation

Account Number (ORG-OBJ-Project):

Attachments

1. SLTS Building B Performance Agreement
2. SLTS Building H Performance Agreement
3. SLTS Office Tenant Improvements Performance Agreement

**ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
BETWEEN THE SUGAR LAND DEVELOPMENT CORPORATION, SUGAR LAND 4B
CORPORATION, AND LCFRE SUGAR LAND TOWN SQUARE, LLC**

Background

The City of Sugar Land adopted an economic development sales tax and created both the Sugar Land Development Corporation (the “SLDC”) and the Sugar Land 4B Corporation (the “SL4B”) to promote economic development activities as authorized by Chapters 501 through 505 of the Local Government Code. The SLDC, SL4B, and LCFRE Sugar Land Town Square, LLC (“Owner”) wish to enter into this Agreement providing economic incentive payments by the SLDC and SL4B to Owner in consideration of Owner performing the obligations imposed upon them as specified in this Performance Agreement.

Agreement

The SLDC, SL4B, and Owner agree as follows:

1. Definitions. In this Agreement:

Act means the Development Corporation Act of 1979, Tex. Rev. Civ. Stat. Ann. Art. 5190.6, as amended and currently codified as Chapters 501 through 505, Tex. Local Gov’t Code.

Agreement means this Economic Development Performance Agreement.

Building B means the existing office building located on the Land at 15958 City Walk, Sugar Land, Texas 77479

City means the City of Sugar Land, Texas.

Compliance Date means the last day of the month, of the month in which Owner fulfills all obligations set forth in Sections 3(a) and (b) hereunder, which in no event shall be later than sixty (60) days following September 30, 2027.

Employee means a person who: (1) is a direct Primary Job employee of a Tenant; and (2) regularly works at least 35 hours a week for that Tenant, excluding time taken for holidays, vacations, sick leave, or other regular leave.

Force Majeure means lightning, earthquakes, hurricanes, storms, floods, or other natural occurrence; strikes, lockouts, riots, wars, or other civil disturbances; or explosions, fires, or other casualties; and other occurrences not reasonably within the control of the Owner or Owner’s agents or contractors, including pandemic, widespread disease, or public health emergency.

Improvements means those improvements constructed in Building B to serve the Leased Premises, consisting of the building improvements and other improvements specifically listed in the attached Exhibit A, which is incorporated into this Agreement, attached to and incorporated

into this Agreement by reference.

Incentive Amount means the total amount to be paid to Owner by the SLDC and SL4B under this Agreement, in the cumulative amount of \$6,000,000.00. The SLDC will pay half (\$3,000,000.00) and the SL4B will pay half (\$3,000,000.00).

Land means the real property in the City of Sugar Land, Texas conveyed from Town Center Lakeside, Ltd. to Owner and recorded in the real property records of Fort Bend County, Texas, under Clerk's File No. 2013143730 in the City of Sugar Land, known as "Town Square", on which the Town Square Office Buildings are located and where the Improvements will be constructed, more specifically described in Exhibit B, attached to and incorporated into this Agreement by reference.

Leasable Space means the total enclosed, interior area within the Town Square Office Buildings that is or is intended to be leased to one or more Tenants.

Leased Premises means the space in the Town Square Office Buildings, which is or will be leased to one or more Tenants.

Owner means LCFRE Sugar Land Town Square, LLC, a Texas limited liability company or any subsequent owner of the Land, or a portion of the Land, that includes Building B, which is an assignee of this Agreement.

Primary Job has the meaning as defined in §501.002(12), Tex. Loc. Gov't Code.

Project includes equipment, facilities, expenditures, targeted infrastructure, and improvements that, pursuant to the Act: (1) are for the creation or retention of Primary Jobs; (2) are found by the SLDC and SL4B boards of directors to be required or suitable for the development, retention, or expansion of a sector of a project listed under Section 501.101(2) of the Act; (3) are required or suitable for infrastructure necessary to promote or develop new or expanded enterprises; and (4) are found by the SL4B board of directors to be required or suitable for parks and open space improvements under Section 505.152 of the Act.

Sales Tax means the City's 2% sales and use tax consisting of (i) the municipal sales and use tax and the additional municipal sales tax adopted by the City under the authority of the Texas Tax Code, Chapter 321, and (ii) the city sales and use tax imposed by the City for industrial and economic development under the authority of the Act.

SL4B means the Sugar Land 4B Corporation, a non-profit Type B economic development corporation created by the City as authorized by Chapter 505 of the Act.

SLDC means the Sugar Land Development Corporation, a non-profit Type A economic development corporation created by the City as authorized by Chapter 504 of the Act.

SLDC Incentive Policy means the Sugar Land Development Corporation Policy Regarding Economic Development Incentives, adopted by the Board of Directors of the SLDC by Resolution

No. SLDC-R-24-01 on September 3, 2024.

Tenant means one or more businesses, persons, or other entities that have leased space in all or a portion of the Town Square Office Buildings and that is a Primary Job employer.

Town Square Office Buildings means those buildings owned by Owner on the Land with leasable office space, including Building B.

Year of this Agreement means, unless the context clearly indicates otherwise, a calendar year: beginning the day after the Compliance Date and ending twelve months thereafter, within the term of this Agreement. For example, if the Compliance Date is September 30, the Year of the Agreement would run from October 1 to September 30.

2. SLDC and SL4B Findings. By approval of this Agreement, the boards of directors of the SLDC and SL4B find:

(a) That the expenditures made by the SLDC and SL4B are required or suitable for the development, retention, or expansion of a Project, including:

(1) Creation or retention of Primary Jobs;

(2) Research and development facilities (Sec. 501.101(2)(B), Tex. Local Gov't Code);

(3) Regional or national corporate headquarters facilities (defined as “buildings proposed for construction or occupancy as the principal office for a business enterprise’s administrative and management services”) (Secs. 501.002(4), 501.101(2)(L), Tex. Local Gov't Code); and

(4) Parks and open space improvements (Sec. 505.152, Tex. Local Gov't Code).

(b) That this Agreement complies with the requirements of Section 501.158, Tex. Local Gov't Code; that any direct incentives provided to a business enterprise requires a written performance agreement that includes:

(1) A schedule of additional payroll or jobs to be created or retained;

(2) The capital investment to be made; and

(3) The terms of repayment upon default.

3. Owner Obligations.

(a) Improvements. The Owner will complete the Improvements as follows:

(1) First Round of Improvements.

(A) By September 30, 2026 the Owner must:

1. Complete construction or cause completion of construction of a portion of the Improvements in compliance with this Agreement, the City's ordinances, and the plans shown in Exhibit A. Owner shall determine what portion of the Improvements it will complete, in its sole discretion;
2. Spend or cause to be spent at least \$1,500,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment; and

(B) No later than 60 days following September 30, 2026, the Owner must submit to the SLDC and SL4B receipts and invoices showing that the Owner has spent at least \$1,500,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment.

(2) Second Round of Improvements.

(A) By September 30, 2027 the Owner must:

1. Complete construction or cause completion of construction of the Improvements in compliance with this Agreement, the City's ordinances, and the plans shown in Exhibit A;
2. Spend or cause to be spent at least \$6,000,000.00, cumulatively, on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment; and

(B) No later than 60 days following September 30, 2027, the Owner must submit to the SLDC and SL4B receipts and invoices showing that the Owner cumulatively has spent at least \$6,000,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment.

(b) Lease of Town Square Office Buildings.

- (1) By September 30, 2026 and for each Year of this Agreement during the term of this Agreement, Leasable Space must be leased by one or more Tenants, who will create or retain a total of at least 650 Primary Jobs, at the Leased Premises over the course of this Agreement. Notwithstanding any statement or implication in this Agreement to the contrary the 650 Primary Jobs requirement shall be cumulative across all of the Economic Development Performance Agreements entered into by the Owner and SDLC and SL4B contemporaneously herewith (so for the avoidance of doubt in the event three Economic Development Performance Agreements are entered into the total Primary Jobs requirement shall only be 650, and not 1950).

- (2) No later than 60 days following September 30, 2026, the Owner must submit to the SLDC and SL4B:
- (A) An analysis based on information reasonably available to Owner (e.g., outstanding building access cards issued to employer or vehicle parking registration issued to employer) that the Tenant(s) has created or retained at least 650 Primary Job Employees at the Leased Premises; and
 - (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenants; and
 - (C) A certified, notarized letter certifying that the information in the spreadsheet is accurate and true.
- (c) Nothing herein shall bar Owner from complying with the requirements of (a)(1) and (b) above prior to September 30, 2026. The Compliance Date shall be calculated based on the date all obligations in (a) and (b) above are fulfilled. Provided, however, for ease of future compliance and reporting, the Compliance Date will be adjusted to the last day of the month in which the obligations are fulfilled.
- (d) Separated Contracts. To the extent practicable, as determined by Owner in its reasonable discretion, Owner will make or cause to be made any contract for the construction of the Improvements that it directly enters into (not including subcontracts over which Owner may not have control) a separated contract (under section 151.056 (b) of the Texas Tax Code and Comptroller's Rule 34 TAC, Section 3.291, or as the referenced law or regulation is amended, recodified, or redesignated), so that there is imposed and the contractor will be required to collect from Owner at a contractor location within the City, the City's municipal sales tax on the sales price of the materials incorporated into the Improvements. Owner will provide, if requested by the City, documentation that verifies to the satisfaction of the City that Owner has complied with the provisions of this paragraph.
- (e) Purchases of Materials and Personal Property. Owner will to the extent practicable as determined by Owner, and will also require its contractors to the extent practicable to, use commercially reasonable efforts to make or cause to be made the purchases for any materials and personal property for the Improvements in the City so that they are subject to the City's Sales Tax. Nothing contained herein shall require Owner or its contractors to make such purchases on terms that are outside of prevailing market rates/prices or to the extent same are not cost-effective.
- (f) Primary Jobs Creation and Retention; Reimbursement.
- (1) Required Primary Jobs. Beginning on the Compliance Date, and continuing for a period of five (5) years thereafter, Owner's Tenant(s) collectively will have and maintain at the Leased Premises at least 650 Primary Job Employees.

(2) Deduction for Failure to Create or Maintain Required Employees. If Owner's Tenant(s) fail(s) to collectively maintain the minimum number of Primary Job Employees each Year of this Agreement, as required by this Agreement, and fails to maintain at least 90% of the required Primary Job Employees in a Year of this Agreement in accordance with the SLDC Incentive Policy, the SLDC and SL4B may not declare an event of default, but the SLDC and SL4B will deduct from the applicable incentive payment under Section 4 of this Agreement as follows:

i. Using the actual number of Employees maintained compared to 90% of the number of Employees required in Section 3(e)(1) (i.e. 585), calculate the percentage decrease below 90% of the number of Primary Job Employees required, using the average number of Primary Job Employees maintained in the Year of this Agreement.

ii. Multiply that percentage decrease by one-fifth (1/5) of the total incentive payment of \$6,000,000.00 paid to Owner under this Agreement, i.e. \$1,200,000.00.

iii. Add on interest at the City's weighted average yield of its investment portfolio from the date the SLDC and SL4B made the payment to Owner to the date of Owner's repayment.

Half of the reimbursement payment is to be paid to the SLDC and half of the reimbursement payment is to be paid to the SL4B.

For example, if the actual number of Employees during a Year of this Agreement was 550, the calculation would be as follows:

- (i) $650 \times 90\% = 585$. Any number less than 585 triggers the reimbursement;
- (ii) $(585 - 550) \div 585 = 6\%$; and
- (iii) $6\% \times \$1,200,000.00 = \$72,000.00$

Therefore, the deduction from that incentive payment for failure to maintain the required number of Employees would be \$72,000.00.

(3) Reimbursement for Failure to Maintain Required Primary Job Employees. If Owner's Tenant(s) fail(s) to collectively maintain the minimum number of Primary Job Employees each Year of this Agreement, as required by this Agreement, and fails to maintain at least 90% of the required Primary Job Employees in a Year of this Agreement in accordance with the SLDC Incentive Policy, the SLDC and SL4B may not declare an event of default if Owner, within 60 days of the end of that Year of this Agreement in which its Tenant(s) failed to maintain the required number of Primary Job Employees for that Year of this Agreement, makes a reimbursement payment to the SLDC and SL4B in an amount determined as follows:

(A) Using the actual number of Employees maintained compared to 90% of the number of Employees required in Section 3(e)(1) (i.e. 585), calculate the percentage

decrease below 90% of the number of Primary Job Employees required, using the average number of Primary Job Employees maintained in the Year of this Agreement.

- (B) Multiply that percentage decrease by one-fifth (1/5) of the total incentive payment of \$6,000,000.00 paid to Owner under this Agreement, i.e. \$1,200,000.00.
- (C) Add on interest at the City's weighted average yield of its investment portfolio from the date the SLDC and SL4B made the payment to Owner to the date of Owner's repayment.

Half of the reimbursement payment is to be paid to the SLDC and half of the reimbursement payment is to be paid to the SL4B.

For example, if the actual number of Employees during a Year of this Agreement was 550, the calculation would be as follows:

- (i) $650 \times 90\% = 585$. Any number less than 585 triggers the reimbursement;
- (j) $(585 - 550) \div 585 = 6\%$; and
- (ii) $6\% \times \$1,200,000.00 = \$72,000.00$

Therefore, the reimbursement for that Year, for failure to maintain at least 90% of the required number of Employees, would be \$72,000, plus interest.

- (4) No Offset for Tenant(s) Exceeding Required Primary Job Employees. If, for a Year or partial Year of this Agreement, the actual number of Primary Job Employees exceeds the number required by Section 3(e)(1), the number of Primary Job Employees that exceed the number of required Primary Job Employees may not be credited against or used to offset any prior or future reimbursement based on number of Employees for another Year or Partial Year of this Agreement.

(g) Reports and Inspections.

- (1) Within 60 days of the Owner's completion of the obligations in Sections 3(a)(1) and 3(b)(1), Owner must provide to the SLDC and SL4B the information required under Sections 3(a)(2) and 3(b)(2) above.
- (2) Apart from the initial reporting requirements in Sections 3(a)(2) and 3(b)(2) above, the Years of this Agreement for reporting and inspection requirements are calculated based on the Compliance Date and will be the five (5) Years following that date.
- (3) Within 60 days following each Year of this Agreement, the Owner will certify to the SLDC and SL4B that it has complied with the terms of this Agreement and provide sufficient written information, records, and documents, to support its certification of compliance.

(4) Within 60 days of the end of each Year of this Agreement, Owner will provide to the SLDC and SL4B a spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement.

(5) Upon the SLDC and/or SL4B's written request, the Owner will promptly provide to the SLDC and SL4B any additional information reasonably necessary for the SLDC and SL4B to determine if the Owner has complied with this Agreement.

(h) The Owner will, upon 48 hours notice from the City, allow the SLDC and the SL4B, through the City, access to the Land during regular business hours to be accompanied by Owner's or Tenant's authorized representative to inspect the Leased Premises to verify that the Owner is complying with this Agreement.

(i) The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

4. SLDC and SL4B Economic Incentive Payments.

(a) Incentive Payments, Generally. Subject to the waiver provisions of this Section 4(a) and the deductions and other provisions of this Agreement, the SLDC and the SL4B agree to pay an initial economic incentive payment of \$1,500,000.00 to Owner no later than 30 days following the receipt of all documentation required by subsection (b) below, and three succeeding economic incentive payments of \$1,500,000.00 each to Owner no later than 30 days following receipt of all documentation required by subsection (c) below for the preceding Year of this Agreement. Owner waives its right to receive an economic incentive payment for the partial Year and any Year of this Agreement if it fails to provide to the SLDC and SL4B, or allow the SLDC and SL4B, to inspect the reports and documentation and information required by this Agreement for the preceding partial Year or Year of this Agreement. The SLDC will pay one half of the total incentive, in the amount of \$3,000,000.00 (\$750,000.00/year), and the SL4B will pay one half of the total incentive, in the amount of \$3,000,000.00 (\$750,000.00/year). Nothing herein obligates either the SLDC or SL4B to pay more than \$3,000,000.00 apiece.

(b) First Incentive Payment. The SLDC and SL4B will make the first incentive payment of \$1,500,000.00 to Owner in accordance with Section 4(a) of this Agreement, provided that, no later than sixty (60) days after September 30, 2026:

(1) Owner submits to the SLDC and SL4B receipts and invoices showing that the Owner cumulatively has spent at least \$1,500,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment;

(2) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:

- (A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;
- (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;
- (C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;
- (D) Owner has not sold, transferred or conveyed all or part of the Land that includes Building B, without assigning this Agreement in accordance with Section 7(d); and
- (E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

(c) Second Incentive Payment. The SLDC and SL4B will make a second incentive payment of \$1,500,000.00 to Owner in accordance with Section 4(a) of this Agreement, provided that, no later than sixty (60) days after September 30, 2027:

- (1) Owner submits to the SLDC and SL4B receipts and invoices showing that the Owner cumulatively has spent at least \$6,000,000.00, cumulatively, on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment;
- (2) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:
 - (A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;
 - (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;
 - (C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;
 - (D) Owner has not sold, transferred or conveyed all or part of the Land that includes Building B, without assigning this Agreement in accordance with Section 7(d); and

- (E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

(d) Two Succeeding Incentive Payments. Subject to the waiver provision of Section (4)(a) of this Agreement and the deductions provided for in this Agreement, the SLDC and SL4B will make two succeeding economic incentive payments in accordance with Section 4(a), provided that, no later than sixty (60) days after September 30, 2028 and 2029:

- (1) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:
- (A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;
 - (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;
 - (C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;
 - (D) Owner has not sold, transferred or conveyed all or part of the Land that includes Building B, without assigning this Agreement in accordance with Section 7(d); and
 - (E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

- (e) Survival. The reimbursement requirement provided for in this Agreement survives termination or expiration of this Agreement. Owner's obligations that must be performed after expiration of the Agreement survive expiration of this Agreement.
- (f) Change in Law. The SLDC and the SL4B are funding this Agreement exclusively from economic development sales taxes each receives under the provisions of the Act. Should any legal impediment arise during the term of this Agreement, including a change in law, that prevents or prohibits the SLDC and/or SL4B from complying with this Agreement, any party may terminate this Agreement without further liability to the other.

5. Term. This Agreement is effective on the latest of the dates signed by the parties below. Unless terminated earlier as allowed in this Agreement, the term of this Agreement shall end on the later of:

- (a) Five years from the Compliance Date; or
- (b) The date that each of the parties' respective obligations hereunder are completed.

6. Termination.

- (a) This paragraph is required by Chapter 2264, Tex. Gov. Code and governs over any conflicting provisions of this Agreement. Owner will not knowingly employ undocumented workers as that term is defined in Section 2264.001, Tex. Gov. Code. If the Owner is convicted of a violation under 8 U.S.C. Section 1324a (f), the conviction is a breach of this Agreement and the city manager will send the Owner written notice that the Owner has violated this paragraph and that the Agreement terminates 30 days from the date of the notice.
- (b) Any party may terminate this Agreement during its term as provided in this paragraph if the other party fails to comply with its terms. The party alleging the default will give the other party written notice of the default describing the basis for such default and the reasonable requirements for cure of such default. If the party in default fails to cure the default within 60 days of the date of such notice, the party giving such notice may terminate this Agreement by written notice to the other party, specifying the date of termination.
- (c) No party may be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of Force Majeure, but only for so long as the event of Force Majeure reasonably prevents performance.
- (d) Owner Reimbursement Payments for Breach of Agreement. If the SLDC and/or SL4B terminate this Agreement because of Owner's breach of any provision of this Agreement as permitted by this Agreement, Owner must, within ninety (90) days following termination, reimburse the SLDC and SL4B for the Incentive Amount paid by the SLDC and SL4B to Owner (and not previously repaid pursuant to Section 3 hereof), on a pro rata basis. The reimbursement payment includes interest at the City's weighted average yield of its investment portfolio from the date the SLDC and SL4B made the payment to Owner to the date of Owner's repayment. Owner's obligation to reimburse the SLDC and SL4B for the payment made to Owner if Owner breaches this Agreement survives termination of this Agreement.

7. Miscellaneous Provisions.

- (a) Remedies Cumulative. The rights and remedies provided in this Agreement or under other laws are cumulative and the exercise of any particular right or remedy does not preclude the exercise of any other right or remedy.

- (c) Law Governing and Venue. The laws of the State of Texas govern this Agreement and no lawsuit may be prosecuted on this Agreement except in a court of competent jurisdiction located in Fort Bend County, Texas.
- (d) No Waiver. The failure of any Party to insist upon the strict performance of any of the terms, provisions, or conditions of this Agreement shall not be construed as a waiver or relinquishment for the future of the strict performance of any such term, provision, or condition or any other term, provision, or condition.
- (c) Notices. Any notice required to be given by one party to another must be given in writing addressed to the party to be notified at the address set forth below, (1) by delivering the notice in person, (2) by depositing the notice in the U. S. Mail, certified or registered, return receipt requested, postage prepaid, (3) by depositing the notice with Federal Express or another nationally recognized courier service for next day delivery, or (4) by sending the notice by email with confirming copy sent by mail. Notice deposited in the U.S. Mail is deemed effective on the date of deposit. Notice given in any other manner is effective when received by the party to be notified. For the purposes of notice, the addresses of the parties to whom notice is to be given, until changed by given notice to the other as provided herein, is as follows:

SLDC: General Manager
Sugar Land Development Corporation
c/o Director of Economic Development
City of Sugar Land
P. O. Box 110
Sugar Land, Texas 77487-0110
Email: ecodev@sugarlandtx.gov

SL4B: General Manager
Sugar Land 4B Corporation
c/o Director of Economic Development
City of Sugar Land
P. O. Box 110
Sugar Land, Texas 77487-0110
Email: ecodev@sugarlandtx.gov

With a copy to: City Manager
City of Sugar Land
P. O. Box 110
Sugar Land, Texas 77487-0110
Email: Citymgr@sugarlandtx.gov

Owner: LCFRE Sugar Land Town Square, LLC
Attn: Jason Dean
1111 West 6th Street

Building A, Suite 200
Austin, TX 78703_
Email: jdean@pennybackercap.com

- (d) Assignment. Except as provided herein, Owner may not assign this Agreement to any other person or entity unless the SLDC and SL4B consent in writing to the assignment; provided however that if Owner sells Building B, or the Land (which includes Building B), and the purchaser assumes any remaining rights and obligations under this Agreement, no consent shall be required, and in such event Owner shall provide written notice to SLDC and SL4B of the purchaser and a copy of purchaser's assumption of the remaining rights and obligations under this Agreement. Any such approved assignment is subject to the assignee assuming all rights and obligations under this Agreement, which includes repayment to the SLDC and SL4B upon default even though the assignee has not received the incentive payment.
- (e) City Authority. The boards of the SLDC and SL4B herein grant to the City's city manager, or any employee authorized by the city manager, the authorization to act on behalf of the SLDC and SL4B in the administration or enforcement of this Agreement. This authority includes the discretion to ensure performance aligns with the SLDC Incentive Policy.
- (f) Severability. The provisions of this Agreement are severable and the invalidity of any part of this Agreement shall not affect the validity of the remainder of this Agreement.
- (g) SLDC Signatory Authority. Approval of this Agreement by the board of the SLDC, by motion at a scheduled meeting, authorizes its general manager to execute this agreement on behalf of the SLDC.
- (h) SL4B Signatory Authority. Approval of this Agreement by the board of the SL4B, by motion at a scheduled meeting, authorizes its general manager to execute this agreement on behalf of the SL4B.
- (i) Exhibits. The following exhibits are attached to and incorporated into this Agreement:

Exhibit A: Building B Improvements


Exhibit B: Land Description

(Signature Page Follows)

SUGAR LAND DEVELOPMENT CORPORATION

LCFRE SUGAR LAND TOWN SQUARE, LLC

By: _____
Name: Stewart Jacobson
Its: President
Date: _____

DocuSigned by:

By: _____
Name: Jason Dean
Its: Authorized Representative
Date: 5/15/2025

SUGAR LAND 4B CORPORATION

By: _____
Name: Kurt Kirchof
Its: President
Date: _____

ATTEST:

Linda Mendenhall, City Clerk

APPROVED AS TO FORM:
DAnn Shea Smith

EXHIBIT A

Building B Improvements Exhibit A-1: Building B Improvements

Project Scope	Cost	Notes
Exhibit A-1: Building B Improvements	\$ 5,437,880	Based on IA Plans/EE Reed Contractor Pricing
Exhibit A-2: Building B Landscaping & Ph II Streetscapes	\$ 1,008,600	Based on OJB Plans/B&D Contractor Pricing
Total	\$ 6,446,480	

Building B: Preliminary Cost Budget

		Total Usable SF RSF: 12,128
		% of Grand Total
Amenity Center		
The Commons		
Construction Costs (EE Reed)		
Subtotal Direct Costs		\$ 3,390,349
General Conditions	SF	170,076
Contractor's Unleveled & General Liability Insurance		25,840
Permit		17,633
Safety Program		9,899
Contractor's Fee		113,506
Remodel Tax		321,795
Total Hard Costs		\$ 4,066,419
Hard Costs \$/SF		75%
Design/Engineering/Consultants		
Architectural Drawings	Allocation SF	\$ 175,000
Engineering	SF	45,000
Low Voltage	SF	227,332
AV	SF	500
ADA Review/Inspection	SF	250
Permit Review	SF	265,000
Asbestos Report	SF	491,736
Kitchen Equipment	Matchways	116,653
Furniture	Fitness	37,500
Fitness Equipment	Cost	1,359,961
Sub Total		25%
Other Costs		
Keys and Rekeying	SF	\$ 7,500
Site signage	SF	15,000
Sub Total		0%
GRAND TOTAL for WORK \$/SF		100%
		\$ 6,446,480

Exhibit A-2: Building B Landscaping & Phase II Streetscapes

Project Scope	Cost	Notes
Exhibit A-1: Building B Improvements	\$ 5,437,880	Based on IA Plans/EE Reed Contractor Pricing
Exhibit A-2: Building B Landscaping & Ph II Streetscapes	\$ 1,008,600	Based on OJB Plans/B&D Contractor Pricing
Total	\$ 6,446,480	

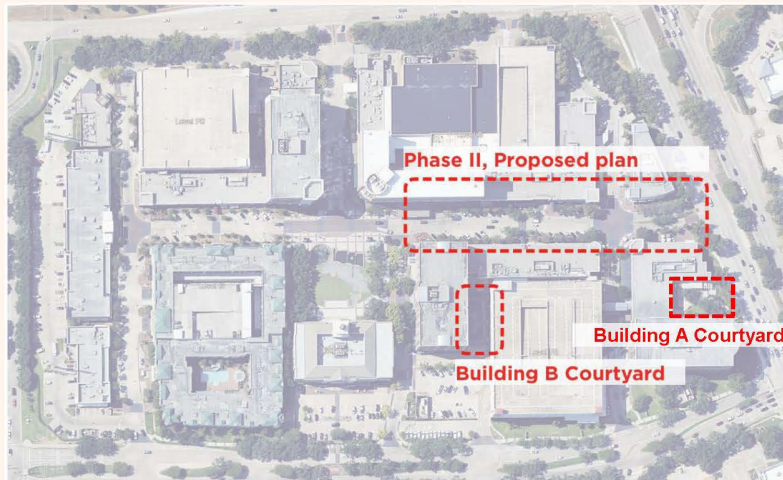
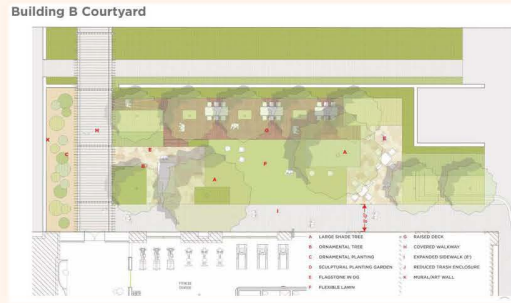


Exhibit A-2 Continued: Building B Landscaping & Phase II Streetscapes



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Exhibit A-2 Continued: Building B Landscaping Pricing Summary



ADDRESS 10 Stokes Street, Houston, TX 77022
 EMAIL info@bdccontractors.com
 PHONE (713) 690-8833
 FAX (713) 690-8535
 bdccontractors.com

DATE: 12.14.23
 SUBMITTED TO: Rebees
 PLANS DATE: 7.14.23 - BUDGET

B&D Contractors Inc. is pleased to provide you the following proposal for
SUGAR LAND TQS PH2 - BLDG B COURTYARD
 This proposal includes all materials, labor, and equipment to install the following:


QTY	SCOPE/PRODUCT/MATERIAL	U. O. M.	UNIT PRICE	TOTAL PRICE
LANDSCAPE:				
2	A - Shade Tree - Live Oak - MM (Allowance)	EA	\$ 7,647.06	\$ 15,294.12
8	B - Ornamental Tree - 200 GAL	EA	\$ 2,477.94	\$ 19,823.53
4	D - Cactus - 15 GAL	EA	\$ 132.35	\$ 529.41
2	D - Cactus - 5 GAL	EA	\$ 44.12	\$ 88.24
8	D - Cactus - 3 GAL	EA	\$ 26.47	\$ 211.76
114	Ornamental Planting - 5 GAL @ 30" OC (25%)	EA	\$ 25.00	\$ 2,850.00
178	Ornamental Planting - 3 GAL @ 24" OC (25%)	EA	\$ 18.38	\$ 3,272.06
400	Ornamental Planting - 1 GAL @ 16" OC (25%)	EA	\$ 8.31	\$ 3,323.53
711	Ornamental Planting - 1 GAL @ 12" OC (25%)	EA	\$ 8.31	\$ 5,907.57
1	Tree Anchors & Inspection Tubes	LS	\$ 2,395.59	\$ 2,395.59
129	12" Mixed Soil	CY	\$ 56.62	\$ 7,303.68
33	3" Hardwood Mulch	CY	\$ 48.53	\$ 1,601.47
5	3" Gravel Mulch w/Filter Fabric	CY	\$ 275.00	\$ 1,375.00
100	Steel Edging	LF	\$ 10.66	\$ 1,066.18
3	1" Topsoil	CY	\$ 71.32	\$ 213.97
665	Fine Grading	SF	\$ 0.06	\$ 39.12
900	Bermuda Sod	SF	\$ 0.90	\$ 807.35
1	Irrigation System - ALLOWANCE	LS	\$ 11,214.71	\$ 11,214.71
678	L - Flagstone in Decomposed Granite	SF	\$ 8.68	\$ 5,865.04
714	G - Raised Wooden Deck - ALLOWANCE	SF	\$ 76.47	\$ 54,600.00
1	H - Canopy - ALLOWANCE	LS	\$ 230,506.32	\$ 230,506.32
1,565	J - Brick Paver Walkway - ALLOWANCE	SF	\$ 24.47	\$ 38,295.55
	SUBTOTAL		\$	406,604.20
	Trucks and Equipment			\$ 10,561.61
	Subtotal		\$	417,165.81
	Tax on Materials		\$	6,159.78
	LS TOTAL		\$	423,325.59
	GRAND TOTAL:		\$	423,325.59

NOTES/EXCLUSIONS

ANYTHING NOT NOTED ABOVE
 *** PRICING GOOD FOR 30 DAYS, DOES NOT INCLUDE OR CONSIDER ECONOMIC COST ESCALATION

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Exhibit A-2 Continued: Phase II Streetscape Pricing Summary



ADDRESS 10 Stokes Street, Houston, TX 77022
EMAIL info@bdccontractors.com
PHONE (713) 690-8933
FAX (713) 690-8935
bdccontractors.com

DATE: 12.14.23
SUBMITTED TO: Reeves
PLANS DATE: 9.22.20 - BFC

B&D Contractors Inc. is pleased to provide you the following proposal for
SUGAR LAND TQS PH2
 This proposal includes all materials, labor, and equipment to install the following:

QTY	SCOPE/PRODUCT/MATERIAL	U.O.M.	UNIT PRICE	TOTAL PRICE
LANDSCAPE:				
32	ST1 - Shumard Red Oak - 200 GAL	EA	\$ 2,330.88	\$ 74,588.24
18	ST2 - Live Oak - 200 GAL	EA	\$ 2,477.94	\$ 44,602.94
867	SA1 - Myers Asparagus - 3 GAL @ 18" OC	FA	\$ 16.91	\$ 14,662.50
1,066	SA9 - Walking Iris - 3 GAL @ 18" OC	EA	\$ 18.38	\$ 19,595.59
1,404	SA8 - Silver Streak Flax Lily - 1 GAL @ 14" OC	EA	\$ 6.54	\$ 9,187.94
1,915	SA5 - Super Blue-Eriogon - 1 GAL @ 12" OC	EA	\$ 4.63	\$ 8,870.36
1	Tree Anchors & Inspection Tubes	LS	\$	\$ 11,977.94
366	17" Mixed Soil	CY	\$ 56.62	\$ 20,722.06
120	3" Hardwood Mulch	CY	\$ 48.53	\$ 5,823.53
1	Drainage - ALLOWANCE @ Tree Wells	LS	\$	\$ 32,213.24
1	Irrigation Retrofit - ALLOWANCE	LS	\$	\$ 20,298.94
				SUBTOTAL \$ 263,025.87
Trucks and Equipment				\$ 22,980.13
				Subtotal \$ 286,006.00
				Tax on Materials \$ 12,354.97
				LS TOTAL \$ 298,360.97
HARDSCAPE:				
120	CB-01 - Concrete Curb	SF	\$ 24.99	\$ 2,999.12
233	UP-01 - Brick Pavers - To match existing (TBD), Sand Set on Concrete Sub Slab - ALLOWANCE	SF	\$ 23.38	\$ 5,913.74
620	UP-02 - Brick Paver - Endicott, Sand Set on Concrete Sub Slab - ALLOWANCE	SF	\$ 37.55	\$ 23,280.67
1	UP-03 - Repair and Replace Brick Pavers - ALLOWANCE	LS	\$	\$ 7,470.59
182	Paver Edge Restraint	LF	\$ 8.09	\$ 1,472.00
1	Electrical	LS	\$	\$ 198,498.29
				SUBTOTAL \$ 209,631.46
Trucks and Equipment				\$ 10,951.49
				Subtotal \$ 220,582.95
				Tax on Materials \$ 2,172.32
				HS TOTAL \$ 222,955.47

QTY	SCOPE/PRODUCT/MATERIAL	U.O.M.	UNIT PRICE	TOTAL PRICE
DEMO:				
5,011	DM-01 - Hardscape Demo	SF	\$ 4.12	\$ 20,633.53
2,022	DM-02 - Landscape Demo	SF	\$ 2.06	\$ 4,162.94
17	DM-03 - Tree Grate Removal Demo	SF	\$ 147.06	\$ 2,500.00
1	Tree Removal (55 total)	LS	\$	\$ 10,352.94
242	Tree Protection Fence - U' Chain Link	LF	\$ 22.06	\$ 5,338.24
1	Excavation/Haul Off	LS	\$	\$ 11,647.06
				SUBTOTAL \$ 56,634.71
Trucks and Equipment				\$ 8,638.64

THINK OUTSIDE. 1

QTY	SCOPE/PRODUCT/MATERIAL	U.O.M.	UNIT PRICE	TOTAL PRICE
				Subtotal \$ 63,273.35
				Tax on Materials \$ 684.28
				DEMO TOTAL \$ 63,957.63
				GRAND TOTAL: \$ 585,274.07

NOTES/EXCLUSIONS

ANYTHING NOT NOTED ABOVE
***** PRICING GOOD FOR 30 DAYS, DOES NOT INCLUDE OR CONSIDER ECONOMIC COST ESCALATION**

EXHIBIT B

Land

TRACT I: FEE ESTATE

That certain tract or parcel of land containing 0.9333 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "B" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT II: FEE ESTATE

That certain tract or parcel of land containing 0.7571 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "E" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT III: FEE ESTATE

That certain tract or parcel of land containing 0.6044 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F1" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas) ~~SAVE AND EXCEPT~~ that portion of Reserve "F1" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT IV: FEE ESTATE

That certain tract or parcel of land containing 1.5527 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F2" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas) ; ~~SAVE AND EXCEPT~~ that portion of Reserve "F2" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT V: FEE ESTATE

That certain tract or parcel of land containing 0.8208 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F3" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas); ~~SAVE AND EXCEPT~~ that portion of Reserve "F3" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT VI: FEE ESTATE

That certain tract or parcel of land containing 0.6968 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "G" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT VII: FEE ESTATE

That certain tract or parcel of land containing 0.7918 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "H" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT VIII: FEE ESTATE

That certain tract or parcel of land containing 1.3495 acres, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "I" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT IX: FEE ESTATE

That certain tract or parcel of land containing 0.4394 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "J" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT X: FEE ESTATE

That certain tract or parcel of land containing 0.4859 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "N1" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT XI: FEE ESTATE

That certain tract or parcel of land containing 0.6112 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "N2" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT XII: FEE ESTATE

That certain tract or parcel of land containing 1.3983 acres, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "P" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "P" included and made part

of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XIII: FEE ESTATE

That certain tract or parcel of land containing 1.6020 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "Q1" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "Q1" included and made a part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XIV: FEE ESTATE

That certain tract or parcel of land containing 0.9829 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "Q2" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "Q2" included and made a part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under County Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XV: FEE ESTATE

"TSP Unit 1 (Retail) ", together with an interest in and to the common elements, of the TOWN SQUARE PLAZA CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Amended and Restated Condominium Declaration recorded under Clerk's File Number 2005010300 in the Official Public Records of Fort Bend County, Texas.

TRACT XVI: FEE ESTATE

"Retail Parking Unit O", "Office Parking Unit O", "Retail Parking Unit K", "Office Parking Unit K", "Retail Parking Unit P/Q", "Retail Parking Unit F", "Office Parking Unit F", "Retail Parking Unit S1", "Retail Parking Unit S2", "Retail Parking Unit S3", together with an interest in and to the common elements, as described an set forth in that (i) SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 in the Official Public Records of Fort Bend County, Texas; (ii) FIRST AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2005154466 of the Official Public Records of Fort Bend County, Texas; (iii) SECOND AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2006054380 of the Official Public Records of Fort Bend County, Texas; and (iv) CORRECTED SECOND AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2006128021 of the Official Public Records of Fort Bend County, Texas, (v) THIRD AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File No. 2009028341 of the Official Public Records of Fort Bend County, Texas and (vi) FOURTH AMENDMENT TO AND CLARIFICATION OF CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File No. 2013107851 of the Official Public Records of Fort Bend County, Texas.

TRACT XX: FEE ESTATE

That certain tract or parcel of land containing 2.41 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "A3" out of SUGAR LAND TOWN SQUARE RESERVE "A3" AMENDING REPLAT, according to the map or plat thereof recorded under Plat No. 20080201 of the Plat Records of Fort Bend County, Texas (being an amending plat of Sugar Land Town Square Reserve "A1" & "A2" Amending Replat, according to the map or plat thereof recorded in Plat No. 20050133 of the Plat Records of Fort Bend County, Texas.), SAVE & EXCEPT THAT CERTAIN 0.0916 ACRE PARCEL DESCRIBED IN DEDICATION DEED TO CITY OF SUGAR LAND, TEXAS, RECORDED UNDER FORT BEND COUNTY CLERK'S FILE NO. 2009134611.

TRACT XXII: FEE ESTATE

That certain tract or parcel of land containing 1.8068 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "K1", Reserve "K2" & Reserve "K3" of SUGAR LAND TOWN SQUARE, RESERVE K AMENDING PLAT, according to the map or plat thereof recorded under Plat No. 20090005 of the Plat Records of Fort Bend County, Texas, (being a Replat of Sugar Land Town Square Second Amending Plat, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas); SAVE AND EXCEPT that portion of Reserve "K" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

**ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
BETWEEN THE SUGAR LAND DEVELOPMENT CORPORATION, SUGAR LAND 4B
CORPORATION, AND LCFRE SUGAR LAND TOWN SQUARE, LLC**

Background

The City of Sugar Land adopted an economic development sales tax and created both the Sugar Land Development Corporation (the “SLDC”) and the Sugar Land 4B Corporation (the “SL4B”) to promote economic development activities as authorized by Chapters 501 through 505 of the Local Government Code. The SLDC, SL4B, and LCFRE Sugar Land Town Square, LLC (“Owner”) wish to enter into this Agreement providing economic incentive payments by the SLDC and SL4B to Owner in consideration of Owner performing the obligations imposed upon them as specified in this Performance Agreement.

Agreement

The SLDC, SL4B, and Owner agree as follows:

1. Definitions. In this Agreement:

Act means the Development Corporation Act of 1979, Tex. Rev. Civ. Stat. Ann. Art. 5190.6, as amended and currently codified as Chapters 501 through 505, Tex. Local Gov’t Code.

Agreement means this Economic Development Performance Agreement.

Building H means the existing office building located on the Land at 2150 Town Square Pl., Sugar Land, Texas 77479.

City means the City of Sugar Land, Texas.

Compliance Date means the last day of the month, of the month in which Owner fulfills all obligations set forth in Sections 3(a) and (b) hereunder, which in no event shall be later than sixty (60) days following September 30, 2028.

Employee means a person who: (1) is a direct Primary Job employee of a Tenant; and (2) regularly works at least 35 hours a week for that Tenant, excluding time taken for holidays, vacations, sick leave, or other regular leave.

Force Majeure means lightning, earthquakes, hurricanes, storms, floods, or other natural occurrence; strikes, lockouts, riots, wars, or other civil disturbances; or explosions, fires, or other casualties; and other occurrences not reasonably within the control of the Owner or Owner’s agents or contractors, including pandemic, widespread disease, or public health emergency.

Improvements means those improvements constructed in Building H to serve the Leased Premises, consisting of the building improvements and other improvements specifically listed in the attached Exhibit A, which is incorporated into this Agreement, attached to and incorporated

into this Agreement by reference.

Incentive Amount means the total amount to be paid to Owner by the SLDC and SL4B under this Agreement, in the cumulative amount of \$2,000,000.00. The SLDC will pay half (\$1,000,000.00) and the SL4B will pay half (\$1,000,000.00).

Land means the real property in the City of Sugar Land, Texas conveyed from Town Center Lakeside, Ltd. to Owner and recorded in the real property records of Fort Bend County, Texas, under Clerk's File No. 2013143730 in the City of Sugar Land, known as "Town Square", on which the Town Square Office Buildings are located and where the Improvements will be constructed, more specifically described in Exhibit B, attached to and incorporated into this Agreement by reference.

Leasable Space means the total enclosed, interior area within the Town Square Office Buildings that is or is intended to be leased to one or more Tenants.

Leased Premises means the space in the Town Square Office Buildings, which is or will be leased to one or more Tenants.

Owner means LCFRE Sugar Land Town Square, LLC, a Texas limited liability company or any subsequent owner of the Land, or a portion of the Land, that includes Building H, which is an assignee of this Agreement.

Primary Job has the meaning as defined in §501.002(12), Tex. Loc. Gov't Code.

Project includes equipment, facilities, expenditures, targeted infrastructure, and improvements that, pursuant to the Act: (1) are for the creation or retention of Primary Jobs; (2) are found by the SLDC and SL4B boards of directors to be required or suitable for the development, retention, or expansion of a sector of a project listed under Section 501.101(2) of the Act; (3) are required or suitable for infrastructure necessary to promote or develop new or expanded enterprises; and (4) are found by the SL4B board of directors to be required or suitable for parks and open space improvements under Section 505.152 of the Act.

Sales Tax means the City's 2% sales and use tax consisting of (i) the municipal sales and use tax and the additional municipal sales tax adopted by the City under the authority of the Texas Tax Code, Chapter 321, and (ii) the city sales and use tax imposed by the City for industrial and economic development under the authority of the Act.

SL4B means the Sugar Land 4B Corporation, a non-profit Type B economic development corporation created by the City as authorized by Chapter 505 of the Act.

SLDC means the Sugar Land Development Corporation, a non-profit Type A economic development corporation created by the City as authorized by Chapter 504 of the Act.

SLDC Incentive Policy means the Sugar Land Development Corporation Policy Regarding Economic Development Incentives, adopted by the Board of Directors of the SLDC by Resolution

No. SLDC-R-24-01 on September 3, 2024.

Tenant means one or more businesses, persons, or other entities that have leased space in all or a portion of the Town Square Office Buildings and that is a Primary Job employer.

Town Square Office Buildings means those buildings owned by Owner on the Land with leasable office space, including Building H.

Year of this Agreement means, unless the context clearly indicates otherwise, a calendar year beginning the day after the Compliance Date and ending twelve months thereafter, within the term of this Agreement. For example, if the Compliance Date is September 30, the Year of the Agreement would run from October 1 to September 30.

2. SLDC and SL4B Findings. By approval of this Agreement, the boards of directors of the SLDC and SL4B find:

- (a) That the expenditures made by the SLDC and SL4B are required or suitable for the development, retention, or expansion of a Project, including:
 - (1) Creation or retention of Primary Jobs;
 - (2) Research and development facilities (Sec. 501.101(2)(B), Tex. Local Gov't Code);
 - (3) Regional or national corporate headquarters facilities (defined as “buildings proposed for construction or occupancy as the principal office for a business enterprise’s administrative and management services”) (Secs. 501.002(4), 501.101(2)(L), Tex. Local Gov't Code); and
 - (4) Parks and open space improvements (Sec. 505.152, Tex. Local Gov't Code).
- (b) That this Agreement complies with the requirements of Section 501.158, Tex. Local Gov't Code; that any direct incentives provided to a business enterprise requires a written performance agreement that includes:
 - (1) A schedule of additional payroll or jobs to be created or retained;
 - (2) The capital investment to be made; and
 - (3) The terms of repayment upon default.

3. Owner Obligations.

- (a) Improvements. The Owner will complete the Improvements as follows:
 - (1) First Round of Improvements.

(A) By September 30, 2027 the Owner must:

1. Complete construction or cause completion of construction of a portion of the Improvements in compliance with this Agreement, the City's ordinances, and the plans shown in Exhibit A. Owner shall determine what portion of the Improvements it will complete, in its sole discretion;
2. Spend or cause to be spent at least \$500,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment; and

(B) No later than 60 days following September 30, 2027 the Owner must submit to the SLDC and SL4B receipts and invoices showing that the Owner has spent at least \$500,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment.

(2) Second Round of Improvements.

(A) By September 30, 2028 the Owner must:

1. Complete construction or cause completion of construction of the Improvements in compliance with this Agreement, the City's ordinances, and the plans shown in Exhibit A;
2. Spend or cause to be spent at least \$2,000,000.00, cumulatively, on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment; and

(B) No later than 60 days following September 30, 2028, the Owner must submit to the SLDC and SL4B receipts and invoices showing that the Owner cumulatively has spent at least \$2,000,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment.

(b) Lease of Town Square Office Buildings.

(1) By September 30, 2027 and for each Year of this Agreement during the term of this Agreement, Leasable Space must be leased by one or more Tenants, who will create or retain a total of at least 650 Primary Jobs, at the Leased Premises over the course of this Agreement. Notwithstanding any statement or implication in this Agreement to the contrary the 650 Primary Jobs requirement shall be cumulative across all of the Economic Development Performance Agreements entered into by the Owner and SDLC and SL4B contemporaneously herewith (so for the avoidance of doubt in the event three Economic Development Performance Agreements are entered into the total Primary Jobs requirement shall only be 650, and not 1950).

(2) No later than 60 days following September 30, 2027 the Owner must submit to the SLDC and SL4B:

(A) An analysis based on information reasonably available to Owner that the Tenant(s) have created or retained at 650 Primary Job Employees at the Leased Premises (e.g., outstanding building access cards issued to employer or vehicle parking registrations issued to employer);

(B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenants; and

(C) A certified, notarized letter certifying that the information in the spreadsheet is accurate and true.

(c) Nothing herein shall bar Owner from complying with the requirements of (a)(1) and (b) above prior to September 30, 2027. The Compliance Date shall be calculated based on the date all obligations in (a) and (b) above are fulfilled. Provided, however, for ease of future compliance and reporting, the Compliance Date will be adjusted to the last day of the month in which the obligations are fulfilled.

(d) Separated Contracts. To the extent practicable, as determined by Owner in its reasonable discretion, Owner will make or cause to be made any contract for the construction of the Improvements that it directly enters into (not including subcontracts over which Owner may not have control) a separated contract (under section 151.056 (b) of the Texas Tax Code and Comptroller's Rule 34 TAC, Section 3.291, or as the referenced law or regulation is amended, recodified, or redesignated), so that there is imposed and the contractor will be required to collect from Owner at a contractor location within the City, the City's municipal sales tax on the sales price of the materials incorporated into the Improvements. Owner will provide, if requested by the City, documentation that verifies to the satisfaction of the City that Owner has complied with the provisions of this paragraph.

(e) Purchases of Materials and Personal Property. Owner will to the extent practicable as determined by Owner, and will also require its contractors to the extent practicable to, use commercially reasonable efforts to make or cause to be made the purchases for any materials and personal property for the Improvements in the City so that they are subject to the City's Sales Tax. Nothing contained herein shall require Owner or its contractors to make such purchases on terms that are outside of prevailing market rates/prices or to the extent same are not cost-effective.

(f) Primary Jobs Creation and Retention; Deduction and Reimbursement.

(1) Required Primary Jobs. Beginning on the Compliance Date and continuing for a period of five (5) years thereafter, Owner's Tenant(s) collectively will have and maintain at the Leased Premises at least 650 Primary Job Employees.

(2) Deduction for Failure to Create or Maintain Required Employees. If Owner's Tenant(s) fail(s) to collectively maintain the minimum number of Primary Job Employees each Year of this Agreement, as required by this Agreement, and fails to maintain at least 90% of the required Primary Job Employees in a Year of this Agreement in accordance with the SLDC Incentive Policy, the SLDC and SL4B may not declare an event of default, but the SLDC and SL4B will deduct from the applicable incentive payment under Section 4 of this Agreement as follows:

- (A) Using the actual number of Employees maintained compared to 90% of the number of Employees required in Section 3(e)(1) (i.e. 585), calculate the percentage decrease below 90% of the number of Primary Job Employees required, using the average number of Primary Job Employees maintained in the Year of this Agreement.
- (B) Multiply that percentage decrease by one-fifth (1/5) of the total incentive payment of \$2,000,000.00 paid to Owner under this Agreement, i.e. \$400,000.00.
- (C) Add on interest at the City's weighted average yield of its investment portfolio from the date the SLDC and SL4B made the payment to Owner to the date of Owner's repayment.

Half of the reimbursement payment is to be paid to the SLDC and half of the reimbursement payment is to be paid to the SL4B.

For example, if the actual number of Employees during a Year of this Agreement was 550, the calculation would be as follows:

- (i) $650 \times 90\% = 585$. Any number less than 585 triggers the reimbursement;
- (ii) $(585 - 550) \div 585 = 6\%$; and
- (iii) $6\% \times \$400,000.00 = \$24,000.00$

Therefore, the deduction from that incentive payment for failure to maintain the required number of Employees would be \$24,000.00.

(3) Reimbursement for Failure to Maintain Required Primary Job Employees. If Owner's Tenant(s) fail(s) to collectively maintain the minimum number of Primary Job Employees each Year of this Agreement, as required by this Agreement, and fails to maintain at least 90% of the required Primary Job Employees in a Year of this Agreement in accordance with the SLDC Incentive Policy, the SLDC and SL4B may not declare an event of default if Owner, within 60 days of the end of that Year of this Agreement in which its Tenant(s) failed to maintain the required number of Primary Job Employees for that Year of this Agreement, makes a reimbursement payment to the SLDC and SL4B in an amount determined as follows:

- (A) Using the actual number of Employees maintained compared to 90% of the number of Employees required in Section 3(e)(1) (i.e. 585), calculate the percentage

decrease below 90% of the number of Primary Job Employees required, using the average number of Primary Job Employees maintained in the Year of this Agreement.

- (B) Multiply that percentage decrease by one-fifth (1/5) of the total incentive payment of \$2,000,000.00 paid to Owner under this Agreement, i.e. \$400,000.00.
- (C) Add on interest at the City's weighted average yield of its investment portfolio from the date the SLDC and SL4B made the payment to Owner to the date of Owner's repayment.

Half of the reimbursement payment is to be paid to the SLDC and half of the reimbursement payment is to be paid to the SL4B.

For example, if the actual number of Employees during a Year of this Agreement was 550, the calculation would be as follows:

- (i) $650 \times 90\% = 585$. Any number less than 585 triggers the reimbursement;
- (j) $(585 - 550) \div 585 = 6\%$; and
- (ii) $6\% \times \$400,000.00 = \$24,000.00$

Therefore, the reimbursement for that Year, for failure to maintain at least 90% of the required number of Employees, would be \$24,000, plus interest.

- (4) No Offset for Tenant(s) Exceeding Required Primary Job Employees. If, for a Year or partial Year of this Agreement, the actual number of Primary Job Employees exceeds the number required by Section 3(e)(1), the number of Primary Job Employees that exceed the number of required Primary Job Employees may not be credited against or used to offset any prior or future reimbursement based on number of Employees for another Year or Partial Year of this Agreement.

(g) Reports and Inspections.

- (1) Within 60 days of the Owner's completion of the obligations in Sections 3(a)(1) and 3(b)(1), Owner must provide to the SLDC and SL4B the information required under Sections 3(a)(2) and 3(b)(2) above.
- (2) Apart from the initial reporting requirements in Sections 3(a)(2) and 3(b)(2) above, the Years of this Agreement for reporting and inspection requirements are calculated based on the Compliance Date and will be the five (5) Years following that date.
- (3) Within 60 days following each Year of this Agreement, the Owner will certify to the SLDC and SL4B that it has complied with the terms of this Agreement and provide sufficient written information, records, and documents, to support its certification of compliance.

- (4) Within 60 days of the end of each Year of this Agreement, Owner will provide to the SLDC and SL4B a spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement.
- (5) Upon the SLDC and/or SL4B's written request, the Owner will promptly provide to the SLDC and SL4B any additional information reasonably necessary for the SLDC and SL4B to determine if the Owner has complied with this Agreement.

(h) The Owner will, upon 48 hours notice from the City, allow the SLDC and the SL4B, through the City, access to the Land during regular business hours to be accompanied by Owner's or Tenant's authorized representative, to inspect the Leased Premises to verify that the Owner is complying with this Agreement.

(i) The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

4. SLDC and SL4B Economic Incentive Payment.

(a) Incentive Payments, Generally. Subject to the waiver provisions of this Section 4(a) and the deductions and other provisions of this Agreement, the SLDC and the SL4B agree to pay an initial economic incentive payment of \$500,000.00 to Owner no later than 30 days following the receipt of all documentation required by subsection (b) below, and three succeeding economic incentive payments of \$500,000.00 each to Owner no later than 30 days following receipt of all documentation required by subsection (c) below for the preceding Year of this Agreement. Owner waives its right to receive an economic incentive payment for the partial Year and any Year of this Agreement if it fails to provide to the SLDC and SL4B, or allow the SLDC and SL4B, to inspect the reports and documentation and information required by this Agreement for the preceding partial Year or Year of this Agreement. The SLDC will pay one half of the total incentive, in the amount of \$1,000,000.00 (\$250,000.00/year), and the SL4B will pay one half of the total incentive, in the amount of \$1,000,000.00 (\$250,000.00/year). Nothing herein obligates either the SLDC or SL4B to pay more than \$1,000,000.00 apiece.

(b) First Incentive Payment. The SLDC and SL4B will make the first incentive payment of \$500,000.00 to Owner in accordance with Section 4(a) of this Agreement, provided that, no later than sixty (60) days after September 30, 2027:

- (1) Owner submits to the SLDC and SL4B receipts and invoices showing that the Owner cumulatively has spent at least \$500,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment;
- (2) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:

- (A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;
- (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;
- (C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;
- (D) Owner has not sold, transferred or conveyed all or part of the Land that includes Building H, without assigning this Agreement in accordance with Section 7(d); and
- (E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

(c) Second Incentive Payment. The SLDC and SL4B will make a second incentive payment of \$500,000.00 to Owner in accordance with Section 4(a) of this Agreement, provided that, no later than sixty (60) days after September 30, 2028:

- (1) Owner submits to the SLDC and SL4B receipts and invoices showing that the Owner cumulatively has spent at least \$2,000,000.00, cumulatively, on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment;
- (2) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:
 - (A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;
 - (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;
 - (C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;
 - (D) Owner has not sold, transferred or conveyed all or part of the Land that includes Building B, without assigning this Agreement in accordance with Section 7(d); and

- (E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

(d) Two Succeeding Incentive Payments. Subject to the waiver provision of Section (4)(a) of this Agreement and the deductions provided for in this Agreement, the SLDC and SL4B will make two succeeding economic incentive payments in accordance with Section 4(a) provided that, no later than sixty (60) days after September 30, 2029 and 2030:

- (1) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:
- (A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;
 - (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;
 - (C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;
 - (D) Owner has not sold, transferred or conveyed all or part of the Land that includes Building B, without assigning this Agreement in accordance with Section 7(d); and
 - (E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

(e) Survival. The reimbursement requirement provided for in this Agreement survives termination or expiration of this Agreement. Owner's obligations that must be performed after expiration of the Agreement survive expiration of this Agreement.

(f) Change in Law. The SLDC and the SL4B are funding this Agreement exclusively from economic development sales taxes each receives under the provisions of the Act. Should any legal impediment arise during the term of this Agreement, including a change in law, that prevents or prohibits the SLDC and/or SL4B from complying with this Agreement, any party may terminate this Agreement without further liability to the other.

5. Term. This Agreement is effective on the latest of the dates signed by the parties below. Unless terminated earlier as allowed in this Agreement, the term of this Agreement shall end on the later of:

- (a) Five years from the Compliance Date; or
- (b) The date that each of the parties' respective obligations hereunder are completed.

6. Termination.

- (a) This paragraph is required by Chapter 2264, Tex. Gov. Code and governs over any conflicting provisions of this Agreement. Owner will not knowingly employ undocumented workers as that term is defined in Section 2264.001, Tex. Gov. Code. If the Owner is convicted of a violation under 8 U.S.C. Section 1324a (f), the conviction is a breach of this Agreement and the city manager will send the Owner written notice that the Owner has violated this paragraph and that the Agreement terminates 30 days from the date of the notice.
- (b) Any party may terminate this Agreement during its term as provided in this paragraph if the other party fails to comply with its terms. The party alleging the default will give the other party written notice of the default describing the basis for such default and the reasonable requirements for cure of such default. If the party in default fails to cure the default within 60 days of the date of such notice, the party giving such notice may terminate this Agreement by written notice to the other party, specifying the date of termination.
- (c) No party may be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of Force Majeure, but only for so long as the event of Force Majeure reasonably prevents performance.
- (d) Owner Reimbursement Payments for Breach of Agreement. If the SLDC and/or SL4B terminate this Agreement because of Owner's breach of any provision of this Agreement as permitted by this Agreement, Owner must, within ninety (90) days following termination, reimburse the SLDC and SL4B for the Incentive Amount paid by the SLDC and SL4B to Owner (and not previously repaid pursuant to Section 3 hereof), on a pro rata basis. The reimbursement payment includes interest at the City's weighted average yield of its investment portfolio from the date the SLDC and SL4B made the payment to Owner to the date of Owner's repayment. Owner's obligation to reimburse the SLDC and SL4B for the payment made to Owner if Owner breaches this Agreement survives termination of this Agreement.

7. Miscellaneous Provisions.

- (a) Remedies Cumulative. The rights and remedies provided in this Agreement or under other laws are cumulative and the exercise of any particular right or remedy does not preclude the exercise of any other right or remedy.

- (c) Law Governing and Venue. The laws of the State of Texas govern this Agreement and no lawsuit may be prosecuted on this Agreement except in a court of competent jurisdiction located in Fort Bend County, Texas.

- (d) No Waiver. The failure of any Party to insist upon the strict performance of any of the terms, provisions, or conditions of this Agreement shall not be construed as a waiver or relinquishment for the future of the strict performance of any such term, provision, or condition or any other term, provision, or condition.

- (c) Notices. Any notice required to be given by one party to another must be given in writing addressed to the party to be notified at the address set forth below, (1) by delivering the notice in person, (2) by depositing the notice in the U. S. Mail, certified or registered, return receipt requested, postage prepaid, (3) by depositing the notice with Federal Express or another nationally recognized courier service for next day delivery, or (4) by sending the notice by email with confirming copy sent by mail. Notice deposited in the U.S. Mail is deemed effective on the date of deposit. Notice given in any other manner is effective when received by the party to be notified. For the purposes of notice, the addresses of the parties to whom notice is to be given, until changed by given notice to the other as provided herein, is as follows:

SLDC: General Manager
 Sugar Land Development Corporation
 c/o Director of Economic Development
 City of Sugar Land
 P. O. Box 110
 Sugar Land, Texas 77487-0110
 Email: ecodev@sugarlandtx.gov

SL4B: General Manager
 Sugar Land 4B Corporation
 c/o Director of Economic Development
 City of Sugar Land
 P. O. Box 110
 Sugar Land, Texas 77487-0110
 Email: ecodev@sugarlandtx.gov

With a copy to: City Manager
 City of Sugar Land
 P. O. Box 110
 Sugar Land, Texas 77487-0110
 Email: Citymgr@sugarlandtx.gov

Owner: LCFRE Sugar Land Town Square, LLC
 Attn: Jason Dean
 1111 West 6th Street

Building A, Suite 200
Austin, TX 78703_
Email: jdean@pennybackercap.com

- (d) Assignment. Except as provided herein, Owner may not assign this Agreement to any other person or entity unless the SLDC and SL4B consent in writing to the assignment; provided however that if Owner sells Building H, or the Land (which includes Building H), and the purchaser assumes any remaining rights and obligations under this Agreement, no consent shall be required, and in such event Owner shall provide written notice to SLDC and SL4B of the purchaser and a copy of purchaser's assumption of the remaining rights and obligations under this Agreement. Any such approved assignment is subject to the assignee assuming all rights and obligations under this Agreement, which includes repayment to the SLDC and SL4B upon default even though the assignee has not received the incentive payment.
- (e) City Authority. The boards of the SLDC and SL4B herein grant to the City's city manager, or any employee authorized by the city manager, the authorization to act on behalf of the SLDC and SL4B in the administration or enforcement of this Agreement. This authority includes the discretion to ensure performance aligns with the SLDC Incentive Policy.
- (f) Severability. The provisions of this Agreement are severable and the invalidity of any part of this Agreement shall not affect the validity of the remainder of this Agreement.
- (g) SLDC Signatory Authority. Approval of this Agreement by the board of the SLDC, by motion at a scheduled meeting, authorizes its general manager to execute this agreement on behalf of the SLDC.
- (h) SL4B Signatory Authority. Approval of this Agreement by the board of the SL4B, by motion at a scheduled meeting, authorizes its general manager to execute this agreement on behalf of the SL4B.
- (i) Exhibits. The following exhibits are attached to and incorporated into this Agreement:

Exhibit A: Building H Improvements


Exhibit B: Land Description

(Signature Page Follows)

SUGAR LAND DEVELOPMENT CORPORATION

By: _____
Name: Stewart Jacobson
Its: President
Date: _____

LCFRE SUGAR LAND TOWN SQUARE, LLC

DocuSigned by:

By: _____
Name: Jason Dean
Its: Authorized Representative
Date: 5/15/2025

SUGAR LAND 4B CORPORATION

By: _____
Name: Kurt Kirchof
Its: President
Date: _____

ATTEST:

Linda Mendenall, City Clerk

APPROVED AS TO FORM:
DAnn Shea Smith

EXHIBIT A

Building H Improvements Exhibit B-1: Building H Lobby Renovation

Building H Renovations - Preliminary Budget	
<i>Entry, Lobby Renovation & Tenant Monument Signage</i>	\$1,383,468
<i>Garden Renovation / FF&E</i>	\$280,780
Total	\$1,664,248

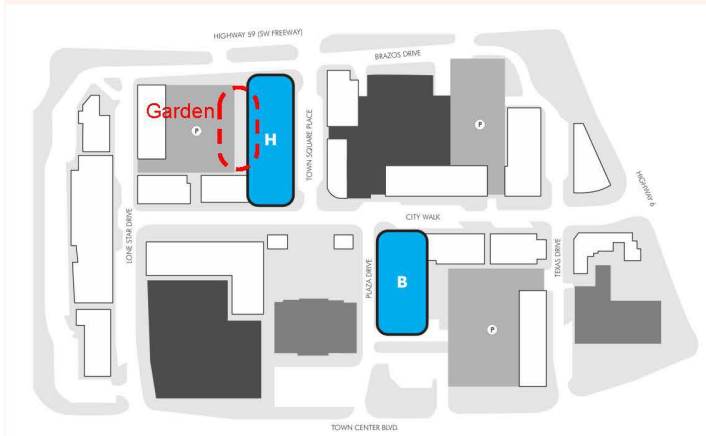


Building H: Preliminary Cost Projection Entry, Lobby Renovation & Tenant Monument Signage	
Usable SF:	Lobby 2,726
Construction Costs (Projection)	
Subtotal Direct Costs	\$ 1,028,121
General Conditions	29,913
Contractor's Umbrella & General Liability Insurance	9,176
Permit	5,000
Safety Program	3,187
Contractor's Fee	37,130
Total Hard Costs	\$ 1,112,427
Hard Costs \$/SF	\$ 408
Design/Engineering/Consultants	
Architectural Drawings	50,739
Engineering	-
Low Voltage	13,047
AV	65,912
ADA Review/Inspection	145
Permit Review	-
Asbestos Report	72
Kitchen Equipment	-
Furniture	118,693
Fitness Equipment	-
Construction Mgt Fee	15,909
Sub Total	\$ 264,518
Other Costs	
Keys and Rekeying	2,175
Suite signage	4,349
Contingency	-
Sub Total	\$ 6,624
GRAND TOTAL for WORK	\$ 1,383,468
\$/SF	\$ 507.51

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Exhibit B-2: Building H Landscaping

Building H Renovations - Preliminary Budget	
<i>Entry, Lobby Renovation & Tenant Monument Signage</i>	\$1,383,468
<i>Garden Renovation / FF&E</i>	\$280,780
Total	\$1,664,248



Building H Garden Concept



10

EXHIBIT B

Land

TRACT I: FEE ESTATE

That certain tract or parcel of land containing 0.9333 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "B" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT II: FEE ESTATE

That certain tract or parcel of land containing 0.7571 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "E" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT III: FEE ESTATE

That certain tract or parcel of land containing 0.6044 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F1" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas) ~~SAVE AND EXCEPT~~ that portion of Reserve "F1" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT IV: FEE ESTATE

That certain tract or parcel of land containing 1.5527 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F2" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas) ; ~~SAVE AND EXCEPT~~ that portion of Reserve "F2" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT V: FEE ESTATE

That certain tract or parcel of land containing 0.8208 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F3" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas); ~~SAVE AND EXCEPT~~ that portion of Reserve "F3" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT VI: FEE ESTATE

That certain tract or parcel of land containing 0.6968 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "G" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT VII: FEE ESTATE

That certain tract or parcel of land containing 0.7918 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "H" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT VIII: FEE ESTATE

That certain tract or parcel of land containing 1.3495 acres, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "L" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT IX: FEE ESTATE

That certain tract or parcel of land containing 0.4394 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "I" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT X: FEE ESTATE

That certain tract or parcel of land containing 0.4859 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "N1" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT XI: FEE ESTATE

That certain tract or parcel of land containing 0.6112 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "N2" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT XII: FEE ESTATE

That certain tract or parcel of land containing 1.3983 acres, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "P" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "P" included and made part

of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XIII: FEE ESTATE

That certain tract or parcel of land containing 1.6020 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "Q1" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "Q1" included and made a part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XIV: FEE ESTATE

That certain tract or parcel of land containing 0.9829 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "Q2" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "Q2" included and made a part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under County Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XV: FEE ESTATE

"TSP Unit 1 (Retail) ", together with an interest in and to the common elements, of the TOWN SQUARE PLAZA CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Amended and Restated Condominium Declaration recorded under Clerk's File Number 2005010300 in the Official Public Records of Fort Bend County, Texas.

TRACT XVI: FEE ESTATE

"Retail Parking Unit O", "Office Parking Unit O", "Retail Parking Unit K", "Office Parking Unit K", "Retail Parking Unit P/Q", "Retail Parking Unit F", "Office Parking Unit F", "Retail Parking Unit S1", "Retail Parking Unit S2", "Retail Parking Unit S3", together with an interest in and to the common elements, as described an set forth in that (i) SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 in the Official Public Records of Fort Bend County, Texas; (ii) FIRST AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2005154466 of the Official Public Records of Fort Bend County, Texas; (iii) SECOND AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2006054380 of the Official Public Records of Fort Bend County, Texas; and (iv) CORRECTED SECOND AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2006128021 of the Official Public Records of Fort Bend County, Texas, (v) THIRD AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File No. 2009028341 of the Official Public Records of Fort Bend County, Texas and (vi) FOURTH AMENDMENT TO AND CLARIFICATION OF CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File No. 2013107851 of the Official Public Records of Fort Bend County, Texas.

TRACT XX: FEE ESTATE

That certain tract or parcel of land containing 2.41 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "A3" out of SUGAR LAND TOWN SQUARE RESERVE "A3" AMENDING REPLAT, according to the map or plat thereof recorded under Plat No. 20080201 of the Plat Records of Fort Bend County, Texas (being an amending plat of Sugar Land Town Square Reserve "A1" & "A2" Amending Replat, according to the map or plat thereof recorded in Plat No. 20050133 of the Plat Records of Fort Bend County, Texas.), SAVE & EXCEPT THAT CERTAIN 0.0916 ACRE PARCEL DESCRIBED IN DEDICATION DEED TO CITY OF SUGAR LAND, TEXAS, RECORDED UNDER FORT BEND COUNTY CLERK'S FILE NO. 2009134611.

TRACT XXII: FEE ESTATE

That certain tract or parcel of land containing 1.8068 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "K1", Reserve "K2" & Reserve "K3" of SUGAR LAND TOWN SQUARE, RESERVE K AMENDING PLAT, according to the map or plat thereof recorded under Plat No. 20090005 of the Plat Records of Fort Bend County, Texas, (being a Replat of Sugar Land Town Square Second Amending Plat, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas); SAVE AND EXCEPT that portion of Reserve "K" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

**ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
BETWEEN THE SUGAR LAND DEVELOPMENT CORPORATION, SUGAR LAND 4B
CORPORATION, AND LCFRE SUGAR LAND TOWN SQUARE, LLC**

Background

The City of Sugar Land adopted an economic development sales tax and created both the Sugar Land Development Corporation (the “SLDC”) and the Sugar Land 4B Corporation (the “SL4B”) to promote economic development activities as authorized by Chapters 501 through 505 of the Local Government Code. The SLDC, SL4B, and LCFRE Sugar Land Town Square, LLC (“Owner”) wish to enter into this Agreement providing economic incentive payments by the SLDC and SL4B to Owner in consideration of Owner performing the obligations imposed upon them as specified in this Performance Agreement.

Agreement

The SLDC, SL4B, and Owner agree as follows:

1. Definitions. In this Agreement:

Act means the Development Corporation Act of 1979, Tex. Rev. Civ. Stat. Ann. Art. 5190.6, as amended and currently codified as Chapters 501 through 505, Tex. Local Gov’t Code.

Agreement means this Economic Development Performance Agreement.

City means the City of Sugar Land, Texas.

Compliance Date means the last day of the month, of the first month in which Owner fulfills all obligations set forth in Sections 3(a)(1) and (b)(1) hereunder, which in no event shall be later than sixty (60) days following September 30, 2027.

Employee means a person who: (1) is a direct Primary Job employee of a Tenant; and (2) regularly works at least 35 hours a week for that Tenant, excluding time taken for holidays, vacations, sick leave, or other regular leave.

Force Majeure means lightning, earthquakes, hurricanes, storms, floods, or other natural occurrence; strikes, lockouts, riots, wars, or other civil disturbances; or explosions, fires, or other casualties; and other occurrences not reasonably within the control of the Owner or Owner’s agents or contractors, including pandemic, widespread disease, or public health emergency.

Improvements means those tenant improvements constructed (directly by Owner or by Owner’s Tenants and reimbursed by Owner) in the Town Square Office Buildings to serve the Leased Premises that comply with the Act, consisting of the building improvements and other improvements generally noted on the attached Exhibit A, which is incorporated into this Agreement, attached to and incorporated into this Agreement by reference.

Incentive Amount means the total amount to be paid to Owner by the SLDC and SL4B under this Agreement, in the cumulative amount of \$4,500,000.00. The SLDC will pay half (\$2,250,000.00) and the SL4B will pay half (\$2,250,000.00).

Land means the real property in the City of Sugar Land, Texas conveyed from Town Center Lakeside, Ltd. to Owner and recorded in the real property records of Fort Bend County, Texas, under Clerk's File No. 2013143730 in the City of Sugar Land, known as "Town Square", on which the Town Square Office Buildings are located and where the Improvements will be constructed, more specifically described in Exhibit B, attached to and incorporated into this Agreement by reference.

Leasable Space means the total enclosed, interior area within the Town Square Office Buildings that is or is intended to be leased to one or more Tenants.

Leased Premises means the space in the Town Square Office Buildings, which is or will be leased to one or more Tenants.

Owner means LCFRE Sugar Land Town Square, LLC, a Texas limited liability company or any subsequent owner of the Land, or a portion of the Land, which is an assignee of this Agreement.

Primary Job has the meaning as defined in §501.002(12), Tex. Loc. Gov't Code.

Project includes equipment, facilities, expenditures, targeted infrastructure, and improvements that, pursuant to the Act: (1) are for the creation or retention of Primary Jobs; (2) are found by the SLDC and SL4B boards of directors to be required or suitable for the development, retention, or expansion of a sector of a project listed under Section 501.101(2) of the Act; (3) are required or suitable for infrastructure necessary to promote or develop new or expanded enterprises; and (4) are found by the SL4B board of directors to be required or suitable for parks and open space improvements under Section 505.152 of the Act.

Sales Tax means the City's 2% sales and use tax consisting of (i) the municipal sales and use tax and the additional municipal sales tax adopted by the City under the authority of the Texas Tax Code, Chapter 321, and (ii) the city sales and use tax imposed by the City for industrial and economic development under the authority of the Act.

SL4B means the Sugar Land 4B Corporation, a non-profit Type B economic development corporation created by the City as authorized by Chapter 505 of the Act.

SLDC means the Sugar Land Development Corporation, a non-profit Type A economic development corporation created by the City as authorized by Chapter 504 of the Act.

SLDC Incentive Policy means the Sugar Land Development Corporation Policy Regarding Economic Development Incentives, adopted by the Board of Directors of the SLDC by Resolution No. SLDC-R-24-01 on September 3, 2024.

Tenant means one or more businesses, persons, or other entities that have leased space in all or a portion of the Town Square Office Buildings and that is a Primary Job employer.

Town Square Office Buildings means those buildings owned by Owner on the Land with leasable office space.

Year of this Agreement means, unless the context clearly indicates otherwise, a calendar year beginning the day after the Compliance Date and ending twelve months thereafter, within the term of this Agreement. For example, if the Compliance Date is September 30, the Year of the Agreement would run from October 1 to September 30.

2. SLDC and SL4B Findings. By approval of this Agreement, the boards of directors of the SLDC and SL4B find:

(a) That the expenditures made by the SLDC and SL4B are required or suitable for the development, retention, or expansion of a Project, including:

(1) Creation or retention of Primary Jobs;

(2) Research and development facilities (Sec. 501.101(2)(B), Tex. Local Gov't Code); and

(3) Regional or national corporate headquarters facilities (defined as “buildings proposed for construction or occupancy as the principal office for a business enterprise’s administrative and management services”) (Secs. 501.002(4), 501.101(2)(L), Tex. Local Gov't Code).

(b) That this Agreement complies with the requirements of Section 501.158, Tex. Local Gov't Code; that any direct incentives provided to a business enterprise requires a written performance agreement that includes:

(1) A schedule of additional payroll or jobs to be created or retained;

(2) The capital investment to be made; and

(3) The terms of repayment upon default.

3. Owner Obligations.

(a) Improvements. The Owner will complete the Improvements as follows:

(1) First Round of Improvements.

(A) By September 30, 2027 the Owner must:

1. Complete construction or cause completion of construction of a portion of the Improvements in compliance with this Agreement and the City’s ordinances.

Owner shall determine what portion of the Improvements it will complete, in its sole discretion;

2. Spend or cause to be spent funds on materials and services in the design and for construction of that portion of the Improvements, including expenditures for furniture, fixtures, and equipment; and

(B) No later than 60 days following September 30, 2027, the Owner must submit to the SLDC and SL4B receipts and invoices showing the amount of funds Owner cumulatively has spent on materials and services in the design and for construction of at least \$1 million of the Improvements, including expenditures for furniture, fixtures, and equipment.

(2) Second Round of Improvements.

(A) No later than September 30, 2028, the Owner must:

1. Complete construction or cause completion of construction of an additional portion of the Improvements in compliance with this Agreement and the City's ordinances. Owner shall determine what portion of the Improvements it will complete, in its sole discretion;
2. Spend or cause to be spent funds on materials and services in the design and for construction of at least \$2.75 million, cumulatively, of the Improvements, including expenditures for furniture, fixtures, and equipment; and
3. Submit to the SLDC and SL4B receipts and invoices showing the amount of funds Owner has spent on materials and services in the design and for construction of that portion of the Improvements, including expenditures for furniture, fixtures, and equipment.

(3) Third Round of Improvements.

(A) No sooner than October 1, 2028, and no later than September 30, 2029, the Owner must:

1. Complete construction or cause completion of construction of \$9 million, cumulatively, of the Improvements in compliance with this Agreement and the City's ordinances;
2. Spend or cause to be spent funds on materials and services in the design and for construction of the final portion of the Improvements, including expenditures for furniture, fixtures, and equipment; and
3. Submit to the SLDC and SL4B receipts and invoices showing that the Owner cumulatively has spent at least \$9,000,000.00 on materials and services in the

design and for construction of all portions of the Improvements, including expenditures for furniture, fixtures, and equipment.

(b) Lease of Town Square Office Buildings.

(1) By September 30, 2028 and for each Year of this Agreement during the term of this Agreement, Leasable Space must be leased by one or more Tenants, who will create or retain a total of at least 650 Primary Jobs, at the Leased Premises over the course of this Agreement. Notwithstanding any statement or implication in this Agreement to the contrary the 650 Primary Jobs requirement shall be cumulative across all of the Economic Development Performance Agreements entered into by the Owner and SDLC and SL4B contemporaneously herewith (so for the avoidance of doubt in the event three Economic Development Performance Agreements are entered into the total Primary Jobs requirement shall only be 650, and not 1950).

(2) No later than 60 days following September 30, 2028, the Owner must submit to the SLDC and SL4B:

(A) An analysis based on information reasonably available to Owner (e.g., outstanding building access cards issued to employers or vehicle parking registrations issued to the employers) that the Tenant(s) have created or retained at least 650 Primary Job Employees at the Leased Premises; and

(B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenants; and

(C) A certified, notarized letter certifying that the information in the spreadsheet is accurate and true.

(c) Nothing herein shall bar Owner from complying with the requirements of (a) and (b) above prior to the stated dates. The Compliance Date shall be calculated based on the date the obligations in (a)(1) and (b) above are fulfilled. Provided, however, for ease of future compliance and reporting, the Compliance Date will be adjusted to the last day of the month in which the obligations are fulfilled.

(d) Separated Contracts. To the extent practicable, as determined by Owner in its reasonable discretion, Owner will make or cause to be made any contract for the construction of the Improvements that is directly enters into (not including subcontracts over which Owner may not have control) a separated contract (under section 151.056 (b) of the Texas Tax Code and Comptroller's Rule 34 TAC, Section 3.291, or as the referenced law or regulation is amended, recodified, or redesignated), so that there is imposed and the contractor will be required to collect from Owner at a contractor location within the City, the City's municipal sales tax on the sales price of the materials incorporated into the Improvements. Owner will provide, if requested by the City, documentation that verifies to the satisfaction of the City that Owner has complied with the provisions of this paragraph.

(e) Purchases of Materials and Personal Property. Owner will, to the extent practicable as determined by Owner, also require its contractors to the extent practicable to, use commercially reasonable efforts to make or cause to be made the purchases for any materials and personal property for the Improvements in the City so that they are subject to the City's Sales Tax. Nothing contained herein shall require Owner or its contractors to make such purchases on terms that are outside of prevailing market rates/prices or to the extent same are not cost-effective.

(f) Primary Jobs Creation and Retention; Reimbursement.

(1) Required Primary Jobs. Beginning on the Compliance Date and continuing for a period of five (5) years thereafter, Owner's Tenant(s) collectively will have and maintain at the Leased Premises at least 650 Primary Job Employees.

(2) Reimbursement for Failure to Maintain Required Primary Job Employees. If Owner's Tenant(s) fail(s) to collectively maintain the minimum number of Primary Job Employees each Year of this Agreement, as required by this Agreement, and fails to maintain at least 90% of the required Primary Job Employees in a Year of this Agreement in accordance with the SLDC Incentive Policy, the SLDC and SL4B may not declare an event of default if Owner, within 60 days of the end of that Year of this Agreement in which its Tenant(s) failed to maintain the required number of Primary Job Employees for that Year of this Agreement, makes a reimbursement payment to the SLDC and SL4B in an amount determined as follows:

(A) Using the actual number of Employees maintained compared to 90% of the number of Employees required in Section 3(e)(1) (i.e. 585), calculate the percentage decrease below 90% of the number of Primary Job Employees required, using the average number of Primary Job Employees maintained in the Year of this Agreement.

(B) Multiply that percentage decrease by one-fifth (1/5) of the total incentive payment of \$4,500,000.00 paid to Owner under this Agreement, i.e. \$900,000.00.

(C) Add on interest at the City's weighted average yield of its investment portfolio from the date the SLDC and SL4B made the payment to Owner to the date of Owner's repayment.

Half of the reimbursement payment is to be paid to the SLDC and half of the reimbursement payment is to be paid to the SL4B.

For example, if the actual number of Employees during a Year if this Agreement was 550, the calculation would be as follows:

- (i) $650 \times 90\% = 585$. Any number less than 585 triggers the reimbursement;
- (j) $(585 - 550) \div 585 = 6\%$; and
- (ii) $6\% \times \$900,000.00 = \$54,000.00$

Therefore, the reimbursement for that Year, for failure to maintain at least 90% of the required number of Employees, would be \$54,000, plus interest.

(3) No Offset for Tenant(s) Exceeding Required Primary Job Employees. If, for a Year or partial Year of this Agreement, the actual number of Primary Job Employees exceeds the number required by Section 3(e)(1), the number of Primary Job Employees that exceed the number of required Primary Job Employees may not be credited against or used to offset any prior or future reimbursement based on number of Employees for another Year or Partial Year of this Agreement.

(g) Reports and Inspections.

(1) Within 60 days of the Owner's completion of the obligations in Sections 3(a)(1)(A) and 3(b)(1) Owner must provide to the SLDC and SL4B the information required under Sections 3(a)(1)(B) and 3(b)(2) above.

(2) Within 60 days following each Year of this Agreement, the Owner will certify to the SLDC and SL4B that it has complied with the terms of this Agreement and provide sufficient written information, records, and documents, to support its certification of compliance.

(3) Within 60 days of the end of each Year of this Agreement, Owner will provide to the SLDC and SL4B a spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement.

(4) Upon the SLDC and/or SL4B's written request, the Owner will promptly provide to the SLDC and SL4B any additional information reasonably necessary for the SLDC and SL4B to determine if the Owner has complied with this Agreement.

(h) The Owner will upon 48 hours notice from the City allow the SLDC and the SL4B, through the City, access to the Land during regular business hours to be accompanied by Owner's or Tenant's authorized representative, to inspect the Leased Premises to verify that the Owner is complying with this Agreement.

(i) The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

(j) Reimbursement for Failure to Spend at Least \$9,000,000.00 on Improvements. If the receipts and invoices submitted to the SLDC and SL4B as required by Section 3(a)(3)(A)(3) show that the Owner cumulatively has spent less than \$9,000,000.00 on the in the design and for construction of all portions of the Improvements, including expenditures for furniture, fixtures, and equipment, then the Owner agrees that it will reimburse the City for fifty-percent (50%) of the difference between the amount spent and

\$9,000,000.00. For example, if Owner only spends \$6,000,000.00 on the Improvements, the Owner would reimburse the SLDC and SL4B 50% of the difference between \$9,000,000.00 and \$6,000,000.00 (\$1,500,000.00). Half of the reimbursement payment is to be paid to the SLDC and half of the reimbursement payment is to be paid to the SL4B.

4. SLDC and SL4B Economic Incentive Payments.

- (a) Incentive Payments, Generally. On or after September 30, 2027, the SLDC and the SL4B agree to pay an economic incentive payment to Owner no later than 30 days following the receipt of all documentation required by Subsection (b) below in the amount of up to \$1,000,000.00. On or after September 30, 2028, the SLDC and the SL4B agree to pay a second economic incentive payment to Owner no later than 30 days following the receipt of all documentation required by Subsection (c) below in the amount of up to \$1,750,000.00. On or after September 30, 2029, the SLDC and the SL4B agree to pay a third incentive payment to Owner no later than 30 days following the receipt of all documentation required by Subsection (d) below in the amount of up to \$1,750,000.00.
- (b) The SLDC will pay one half and the SL4B will pay one half of each payment. Nothing herein obligates either the SLDC or SL4B to pay more than \$2,250,000.00 apiece.
- (c) First Incentive Payment. The SLDC and SL4B will make one incentive payment of \$1,000,000.00. In no event will this first payment to Owner exceed \$1,000,000.00. Payment to Owner will be made in accordance with Section 4(a) of this Agreement, provided that, no later than sixty (60) days after September 30, 2027:
- (1) Owner submits to the SLDC and SL4B receipts and invoices showing that Owner has spent at least \$1 million on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment;
 - (2) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:
 - (A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;
 - (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;
 - (C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;
 - (D) Owner has not sold, transferred or conveyed all or part of the Land that includes the Town Square Office Buildings, without assigning this Agreement in accordance with Section 7(d); and

(E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

(d) Second Incentive Payment. The SLDC and SL4B will make a second incentive payment of \$1,750,000.00. In no event will this second payment to Owner exceed \$1,750,000.00. Payment to Owner will be made in accordance with Section 4(a) of this Agreement, provided that, no later than sixty (60) days after September 30, 2028:

(1) Owner submits to the SLDC and SL4B receipts and invoices showing that Owner has spent at least \$2,750,000.00, cumulatively, on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment;

(2) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:

(A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;

(B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;

(C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;

(D) Owner has not sold, transferred or conveyed all or part of the Land that includes the Town Square Office Buildings, without assigning this Agreement in accordance with Section 7(d); and

(E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

(e) Third Incentive Payment. The SLDC and SL4B will make a third, and final, incentive payment of \$1,750,000.00. In no event will this third payment to Owner exceed \$1,750,000.00. Payment to Owner will be made in accordance with Section 4(a) of this

Agreement, provided that no sooner than twelve (12) months after the Compliance Date, and no later than sixty (60) days after September 30, 2029:

- (1) Owner submits to the SLDC and SL4B receipts and invoices showing that the Owner cumulatively has spent, cumulatively, at least \$9,000,000.00 on materials and services in the design and for construction of the Improvements, including expenditures for furniture, fixtures, and equipment;
- (2) Owner submits to the SLDC and SL4B the documentation described in Section 3(b) of this Agreement for the following that meets the requirements of this Agreement and the Act:
 - (A) An analysis based on information reasonably available to Owner showing that the Tenant(s) has created or retained at least 650 Primary Job Employees, at the Leased Premises;
 - (B) A spreadsheet that shows each Tenant's name, Primary Job employee count, and square footage leased to each Tenant during the prior Year of this Agreement;
 - (C) Owner provides the SLDC and SL4B with a notarized letter certifying that Owner is in compliance with the requirements of this Agreement as of that date;
 - (D) Owner has not sold, transferred or conveyed all or part of the Land that includes the Town Square Office Buildings, without assigning this Agreement in accordance with Section 7(d); and
 - (E) The SLDC and SL4B confirm that Owner is in compliance with the requirements of this Agreement.

The above required documentation shall be submitted to the SLDC and SL4B as part of one complete package and not on a piecemeal basis. The SLDC and SL4B have no obligation to begin their review until and unless all documentation has been received.

- (f) Survival. The reimbursement requirement provided for in this Agreement survives termination or expiration of this Agreement. Owner's obligations that must be performed after expiration of the Agreement survive expiration of this Agreement.
- (g) Change in Law. The SLDC and the SL4B are funding this Agreement exclusively from economic development sales taxes each receives under the provisions of the Act. Should any legal impediment arise during the term of this Agreement, including a change in law, that prevents or prohibits the SLDC and/or SL4B from complying with this Agreement, any party may terminate this Agreement without further liability to the other.

5. Term. This Agreement is effective on the latest of the dates signed by the parties below. Unless terminated earlier as allowed in this Agreement, the term of this Agreement shall end on the later of:

- (a) Five Years from the Compliance Date; or
- (b) The date that each of the parties' respective obligations hereunder are completed.

6. Termination.

- (a) This paragraph is required by Chapter 2264, Tex. Gov. Code and governs over any conflicting provisions of this Agreement. Owner will not knowingly employ undocumented workers as that term is defined in Section 2264.001, Tex. Gov. Code. If the Owner is convicted of a violation under 8 U.S.C. Section 1324a (f), the conviction is a breach of this Agreement and the city manager will send the Owner written notice that the Owner has violated this paragraph and that the Agreement terminates 30 days from the date of the notice.
- (b) Any party may terminate this Agreement during its term as provided in this paragraph if the other party fails to comply with its terms. The party alleging the default will give the other party written notice of the default describing the basis for such default and the reasonable requirements for cure of such default. If the party in default fails to cure the default within 60 days of the date of such notice, the party giving such notice may terminate this Agreement by written notice to the other party, specifying the date of termination.
- (c) No party may be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of Force Majeure, but only for so long as the event of Force Majeure reasonably prevents performance.
- (d) Owner Reimbursement Payments for Breach of Agreement. If the SLDC and/or SL4B terminate this Agreement because of Owner's breach of any provision of this Agreement as permitted by this Agreement, Owner must, within ninety (90) days following termination, reimburse the SLDC and SL4B for the Incentive Amount paid by the SLDC and SL4B to Owner (and not previously repaid pursuant to Section 3 hereof), on a pro rata basis. The reimbursement payment includes interest at the City's weighted average yield of its investment portfolio from the date the SLDC and SL4B made the payment to Owner to the date of Owner's repayment. Owner's obligation to reimburse the SLDC and SL4B for the payment made to Owner if Owner breaches this Agreement survives termination of this Agreement.

7. Miscellaneous Provisions.

- (a) Remedies Cumulative. The rights and remedies provided in this Agreement or under other laws are cumulative and the exercise of any particular right or remedy does not preclude the exercise of any other right or remedy.
- (c) Law Governing and Venue. The laws of the State of Texas govern this Agreement and no lawsuit may be prosecuted on this Agreement except in a court of competent jurisdiction located in Fort Bend County, Texas.

(d) No Waiver. The failure of any Party to insist upon the strict performance of any of the terms, provisions, or conditions of this Agreement shall not be construed as a waiver or relinquishment for the future of the strict performance of any such term, provision, or condition or any other term, provision, or condition.

(c) Notices. Any notice required to be given by one party to another must be given in writing addressed to the party to be notified at the address set forth below, (1) by delivering the notice in person, (2) by depositing the notice in the U. S. Mail, certified or registered, return receipt requested, postage prepaid, (3) by depositing the notice with Federal Express or another nationally recognized courier service for next day delivery, or (4) by sending the notice by email with confirming copy sent by mail. Notice deposited in the U.S. Mail is deemed effective on the date of deposit. Notice given in any other manner is effective when received by the party to be notified. For the purposes of notice, the addresses of the parties to whom notice is to be given, until changed by given notice to the other as provided herein, is as follows:

SLDC: General Manager
Sugar Land Development Corporation
c/o Director of Economic Development
City of Sugar Land
P. O. Box 110
Sugar Land, Texas 77487-0110
Email: ecodev@sugarlandtx.gov

SL4B: General Manager
Sugar Land 4B Corporation
c/o Director of Economic Development
City of Sugar Land
P. O. Box 110
Sugar Land, Texas 77487-0110
Email: ecodev@sugarlandtx.gov

With a copy to: City Manager
City of Sugar Land
P. O. Box 110
Sugar Land, Texas 77487-0110
Email: Citymgr@sugarlandtx.gov

Owner: LCFRE Sugar Land Town Square, LLC
Attn: Jason Dean
1111 West 6th Street
Building A, Suite 200
Austin, TX 78703
Email: jdean@pennybackercap.com

- (d) Assignment. Except as provided herein, Owner may not assign this Agreement to any other person or entity unless the SLDC and SL4B consent in writing to the assignment; provided however that if Owner sells Leased Premises and the purchaser assumes any remaining rights and obligations under this Agreement, no consent shall be required, and in such event Owner shall provide written notice to SLDC and SL4B of the purchaser and a copy of purchaser's assumption of the remaining rights and obligations under this Agreement. Any such approved assignment is subject to the assignee assuming all rights and obligations under this Agreement, which includes repayment to the SLDC and SL4B upon default even though the assignee has not received the incentive payment.
- (e) City Authority. The boards of the SLDC and SL4B herein grant to the City's city manager, or any employee authorized by the city manager, the authorization to act on behalf of the SLDC and SL4B in the administration or enforcement of this Agreement. This authority includes the discretion to ensure performance aligns with the SLDC Incentive Policy.
- (f) Severability. The provisions of this Agreement are severable and the invalidity of any part of this Agreement shall not affect the validity of the remainder of this Agreement.
- (g) SLDC Signatory Authority. Approval of this Agreement by the board of the SLDC, by motion at a scheduled meeting, authorizes its general manager to execute this agreement on behalf of the SLDC.
- (h) SL4B Signatory Authority. Approval of this Agreement by the board of the SL4B, by motion at a scheduled meeting, authorizes its general manager to execute this agreement on behalf of the SL4B.
- (i) Exhibits. The following exhibits are attached to and incorporated into this Agreement:

Exhibit A: Tenant Improvements

Exhibit B: Land Description

(Signature Page Follows)

SUGAR LAND DEVELOPMENT CORPORATION

LCFRE SUGAR LAND TOWN SQUARE, LLC



By: _____
Name: Stewart Jacobson
Its: President
Date: _____

By: _____
Name: Jason Dean
Its: Authorized Representative
Date: 05/13/2025

SUGAR LAND 4B CORPORATION

By: _____
Name: Kurt Kirchof
Its: President
Date: _____

ATTEST:

Linda Mendenhall, City Clerk

APPROVED AS TO FORM:
DAnn Shea Smith

EXHIBIT A

Tenant Improvements

Office Tenant Improvements

Tenant improvement allowances tied to tenant lease agreements are both market expectation and essential to improve property conditions, quality of life, and better position SLTS to compete city-wide and draw new office leasing and it's associated employment base to the City of Sugar Land. Support is being sought related to the following projected Office Tenant Improvements allowances. These amounts will be tied to tenant leases and are associated with direct hard costs to build-out and improve existing tenant suites at Sugar Land Town Square.

Office Tenant Improvement	FY 2025	FY 2026	FY 2027	Total
Total	\$1,336,613	\$3,747,762	\$3,947,942	\$9,032,317

**FY denotes Fiscal Year.*

EXHIBIT B

Land

TRACT I: FEE ESTATE

That certain tract or parcel of land containing 0.9333 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "B" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT II: FEE ESTATE

That certain tract or parcel of land containing 0.7571 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "E" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT III: FEE ESTATE

That certain tract or parcel of land containing 0.6044 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F1" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas) SAVE AND EXCEPT that portion of Reserve "F1" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT IV: FEE ESTATE

That certain tract or parcel of land containing 1.5527 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F2" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas) ; SAVE AND EXCEPT that portion of Reserve "F2" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT V: FEE ESTATE

That certain tract or parcel of land containing 0.8208 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "F3" out of SUGAR LAND TOWN SQUARE, RESERVES F1, F2 AND F3 AMENDING PLAT, according to the maps or plats thereof recorded under Plat No. 20090004 of the Plat Records of Fort Bend County, Texas, (being an amending plat of Sugar Land Town Square, Third Amending Plat recorded under Plat No. 20060131 of the Plat Records of Fort Bend County, Texas); SAVE AND EXCEPT that portion of Reserve "F3" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT VI: FEE ESTATE

That certain tract or parcel of land containing 0.6968 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "G" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT VII: FEE ESTATE

That certain tract or parcel of land containing 0.7918 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "H" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT VIII: FEE ESTATE

That certain tract or parcel of land containing 1.3495 acres, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "I" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT IX: FEE ESTATE

That certain tract or parcel of land containing 0.4394 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "L" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT X: FEE ESTATE

That certain tract or parcel of land containing 0.4859 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "N1" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT XI: FEE ESTATE

That certain tract or parcel of land containing 0.6112 acre, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "N2" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas.

TRACT XII: FEE ESTATE

That certain tract or parcel of land containing 1.3983 acres, more or less, located in the Elijah Alcorn League, Abstract No.1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "P" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "P" included and made part

of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XIII: FEE ESTATE

That certain tract or parcel of land containing 1.6020 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "Q1" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "Q1" included and made a part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XIV: FEE ESTATE

That certain tract or parcel of land containing 0.9829 acre, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "Q2" out of SUGAR LAND TOWN SQUARE, SECOND AMENDING PLAT, a Planned Development District, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas; SAVE AND EXCEPT that portion of Reserve "Q2" included and made a part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under County Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.

TRACT XV: FEE ESTATE

"TSP Unit 1 (Retail)", together with an interest in and to the common elements, of the TOWN SQUARE PLAZA CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Amended and Restated Condominium Declaration recorded under Clerk's File Number 2005010300 in the Official Public Records of Fort Bend County, Texas.

TRACT XVI: FEE ESTATE

"Retail Parking Unit O", "Office Parking Unit O", "Retail Parking Unit K", "Office Parking Unit K", "Retail Parking Unit P/Q", "Retail Parking Unit F", "Office Parking Unit F", "Retail Parking Unit S1", "Retail Parking Unit S2", "Retail Parking Unit S3", together with an interest in and to the common elements, as described an set forth in that (i) SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 in the Official Public Records of Fort Bend County, Texas; (ii) FIRST AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2005154466 of the Official Public Records of Fort Bend County, Texas; (iii) SECOND AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2006054380 of the Official Public Records of Fort Bend County, Texas; and (iv) CORRECTED SECOND AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File Number 2006128021 of the Official Public Records of Fort Bend County, Texas; (v) THIRD AMENDMENT TO CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File No. 2009028341 of the Official Public Records of Fort Bend County, Texas and (vi) FOURTH AMENDMENT TO AND CLARIFICATION OF CONDOMINIUM DECLARATION FOR SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM recorded under Clerk's File No. 2013107851 of the Official Public Records of Fort Bend County, Texas.

TRACT XX: FEE ESTATE

That certain tract or parcel of land containing 2.41 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "A3" out of SUGAR LAND TOWN SQUARE RESERVE "A3" AMENDING REPLAT, according to the map or plat thereof recorded under Plat No. 20080201 of the Plat Records of Fort Bend County, Texas (being an amending plat of Sugar Land Town Square Reserve "A1" & "A2" Amending Replat, according to the map or plat thereof recorded in Plat No. 20050133 of the Plat Records of Fort Bend County, Texas.), SAVE & EXCEPT THAT CERTAIN 0.0916 ACRE PARCEL DESCRIBED IN DEDICATION DEED TO CITY OF SUGAR LAND, TEXAS, RECORDED UNDER FORT BEND COUNTY CLERK'S FILE NO. 2009134611.

TRACT XXII: FEE ESTATE

That certain tract or parcel of land containing 1.8068 acres, more or less, located in the Elijah Alcorn League, Abstract No. 1, and the S.M. Williams Survey, Abstract No. 97, Fort Bend County, Texas, and being the entirety of Reserve "K1", Reserve "K2" & Reserve "K3" of SUGAR LAND TOWN SQUARE, RESERVE K AMENDING PLAT, according to the map or plat thereof recorded under Plat No. 20090005 of the Plat Records of Fort Bend County, Texas, (being a Replat of Sugar Land Town Square Second Amending Plat, according to the maps or plats thereof recorded under Slide Numbers 2464/B, 2465/A, and 2465/B of the Plat Records of Fort Bend County, Texas); SAVE AND EXCEPT that portion of Reserve "K" included and made part of SUGAR LAND TOWN SQUARE PARKING CONDOMINIUM, A CONDOMINIUM, as more particularly described in that certain Condominium Declaration recorded under Clerk's File Number 2003119601 and 2013107851 in the Official Public Records of Fort Bend County, Texas.